FOREIGN AFFAIRS

JANUARY/FEBRUARY 1997

Partition's Troubled History *Radha Kumar*

Can Russia Change? *David Remnick*

Answering for War Crimes *Theodor Meron*

The Age of Nonstate Actors *Jessica Mathews*

Europe's Rising Regionalism *John Newhouse*

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Latin America's *Fracasomanía* *Jorge Domínguez*

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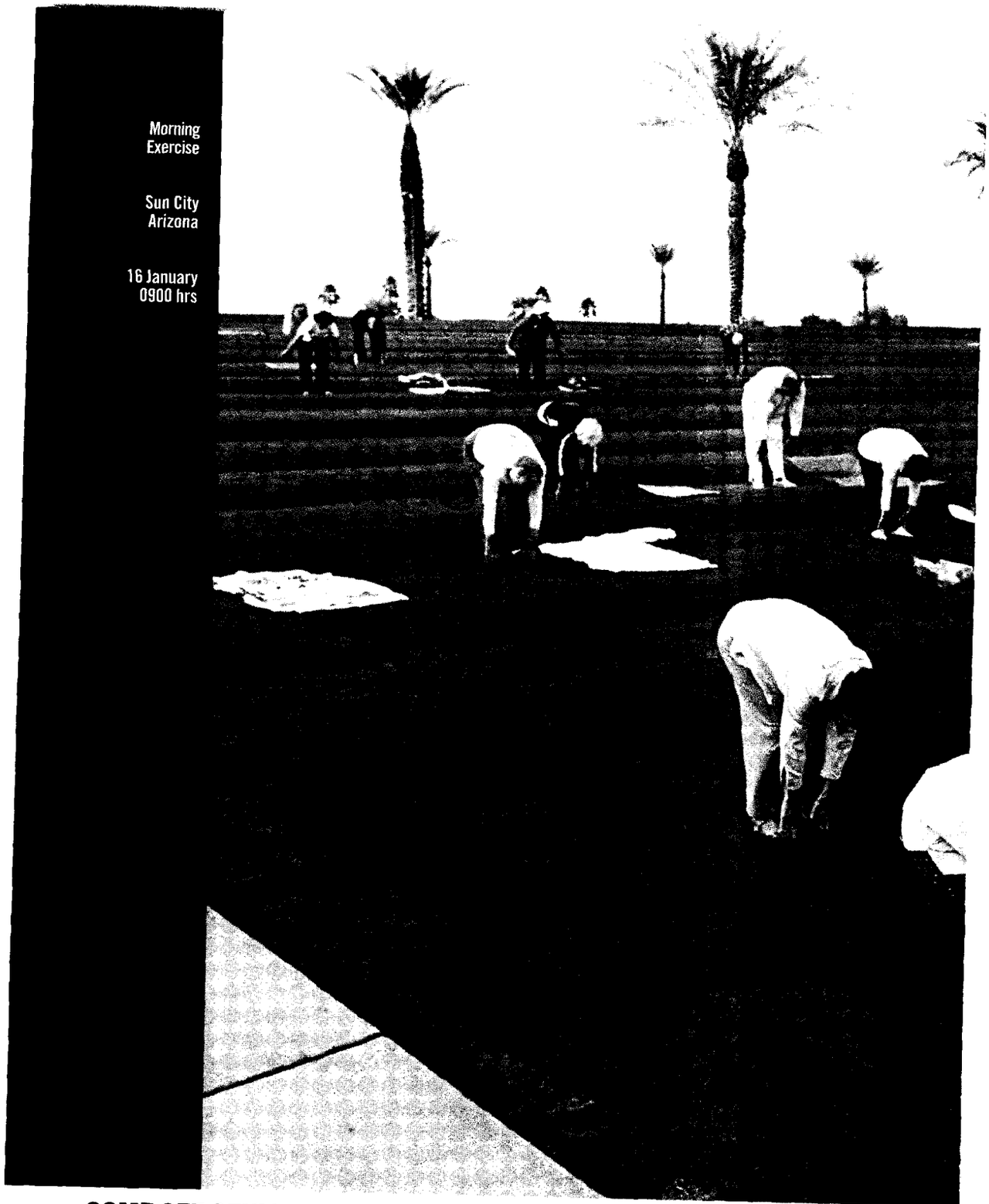

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JANUARY/FEBRUARY 1997
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The Troubled History of Partition *Radha Kumar* 22
The Dayton accord reached in November 1995 was something historically familiar: a partition agreement. As in Bosnia today, partition has usually arisen not as a means of national self-determination but as a way for great powers to "divide and quit." Often described as the only workable solution to ethnic feuding, partitions have in fact generally fomented violence and required further international intervention. Similar conditions ensure that Bosnia will turn into a policy of divide and be forced to stay. Had outside powers worked from the beginning to reintegrate the fractured country, Bosnia, the Balkans, and Europe might have had a more durable resolution. The Dayton agreement should evoke memories not of Munich but of Cyprus.

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Can Russia Change? *David Remnick* 35

Russia's era of romantic democracy is over. Boris Yeltsin's victory in the 1996 elections marked the rise of a new class of oligarchs who have profited from post–Cold War chaos. But Westerners who predict a return to authoritarianism and cultural stagnation overlook how far Russia has come since the late 1980s, and how it has opened to the world. It is not the Soviet Union, nor the land of the czars. In the short term, most Russians cannot hope for much, especially from their leaders. But with its political reforms, 98 percent privatized economy, and educated, urban population, Russia has a great deal going for it—maybe more than China.

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The nation-state may be obsolete in an internetted world. Increasingly, the resources and threats that matter disregard governments and borders. States are sharing powers that defined their sovereignty with corporations, international bodies, and a proliferating universe of citizens groups. The bond markets must be satisfied or capital will go elsewhere. International involvement in domestic crises is a growth industry. Activists fight battles in cyberspace for every imaginable cause—and the nation-state gives in. The ramifications of this power shift will be seismic.

Europe's Rising Regionalism *John Newhouse* 67

The greatest threat to the authority of European states comes not from Brussels but from within. Northern Italy, the Rhône-Alpes, proud Catalonia, and other economically and culturally vibrant regions are asserting their identity and taking advantage of European integration to develop ties across national frontiers. Regions are opening embassies abroad and negotiating their own trade agreements, while cities link themselves in state-of-the-art transportation networks and court foreign business. As central governments worldwide lose credibility, regionalism appears to be the coming dynamic, nowhere more than in Europe.

Democracy Without Illusions *Thomas Carothers* 85

What enthusiasts took for a global rush to democracy may be reversing direction, with backsliding and stalled transitions in the former Soviet Union, Africa, the Middle East. So far, one sees disarray or new strongmen much like the old; no competing ideologies seem to be beckoning. Market reforms have not been the cause in most cases. More affluent countries with Western ties seem to be sticking the course better. However the trend plays out, it should lead the administration to rethink democracy promotion. The truth is that U.S. policy is not significantly responsible for democracy's advance or retreat in the world.

Latin America's Crisis of Representation *Jorge Domínguez* 100

Once the land of the unfree and the home of the coup, Latin America now exhibits many of the hallmarks of democracy: free and fair elections, smooth successions, free-market economies, and the birth of political parties. In spite of these recent advances, the region remains haunted by *fracasomanía,* or an obsession with failure. While Latin America has achieved the broad brushstrokes of democracy, it must confront corruption, protect the rights of indigenous peoples, and distribute wealth more evenly to resolve its crisis of representation.

The West and the Middle East *Bernard Lewis* 114

The Middle East has probably been debating Western modernity longer than

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anywhere else, as many try to become modern without becoming Western. Since the sixteenth century, when British ships and trading companies sailed in, the region has become all too aware of Western superiority on the battlefield and in the marketplace. Middle Easterners have busily adopted or rejected Western innovations, trying to catch up or blaming the West for their predicament, or both. Meanwhile, their glorious history and their forebears' contribution to Western civilization is often buried and forgotten. In every age the dominant civilization defines modernity and claims the credit. Once it was Islam, now it is the West.

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Tony Judt is right to have doubts about the future of European union, but his jeremiad lacks an eye for detail.

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Capitalism may lead to democracy and democracy may lead to peace, but along the way it has brought economic hardship and total war. Though a gadfly, William Greider issues a fiery and prescient warning amid the triumph of capitalism.

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There have always been prophets of decline, as Arthur Herman notes in his survey of pessimists, but they have not always been wrong. Nietzsche, a declinist, identified the hallmark of mass culture: the erosion of individual authenticity.

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The author of *Hitler's Willing Executioners* writes that he did not tone down his ideas for presentation in Germany. The German public, he attests, responded favorably to his notion of individuals' responsibility for their actions.

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The articles in Foreign Affairs *do not represent any consensus of beliefs. We do not expect that readers will sympathize with all the sentiments they find here, for some of our writers will flatly disagree with others; but we hold that while keeping clear of mere vagaries* Foreign Affairs *can do more to inform American public opinion by a broad hospitality to divergent ideas than it can by identifying itself with one school. We do not accept responsibility for the views expressed in any article, signed or unsigned, that appears in these pages. What we do accept is the responsibility for giving them a chance to appear.*

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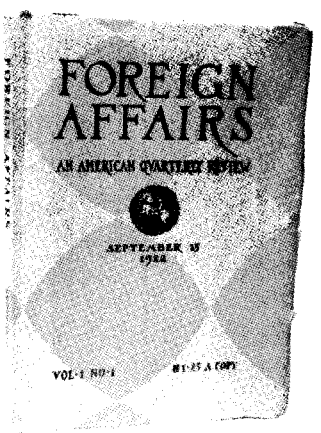
Editor's Note

Seventy-Five and Counting

Starting with this issue of *Foreign Affairs* and throughout 1997, our cover will carry an additional element, the words "seventy-five years" circling the colophon. It is a modest reminder that three-quarters of a century has passed since the magazine was founded by the Council on Foreign Relations, itself only a year old at the time. In September a special issue featuring a number of our noted authors will mark the anniversary month of first publication.



It has been an eventful 75 years, marked by the failure to keep the peace of Versailles, the horrors of World War II, the tensions of the Cold War, the disillusionment of Vietnam, and finally the collapse of the Soviet Union and confusion of the present. In the midst of these great challenges, the United States came of age as a force in international affairs. Now it must adjust to an international order that is in a state of profound change. New cultural and security issues are emerging. New economic opportunities and pressures are buffeting societies and governments. Serious transnational problems command more attention.

In such a time of transition, there is a need for continuing American leadership in the pursuit of a stable and just world wherein our interests and values are best served. But what kind of leadership and to what specific ends? From its inception, *Foreign Affairs* has striven to be an important forum for ideas, argument, and analysis of global trends. We do not prescribe any particular course of action. As our credo states, "*Foreign Affairs* can do more to inform public opinion by a broad hospitality to divergent ideas than it can by identifying itself with one school."

The importance of an informed public opinion to the control and conduct of foreign policy in a democracy was the subject of the opening essay in *Foreign Affairs'* first issue. Written in a time of preoccupation with domestic affairs by the public and leaders alike, the advice of elder statesman Elihu Root remains relevant 75 years later. That first issue also signaled what would be an abiding interest of the magazine—how to deal with Russia, the Soviet government, and communist ideology. Founding editor

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Archibald Cary Coolidge's essay was followed over the years by penetrating analyses of these and related subjects from George F. Kennan, Henry Kissinger, Arthur Schlesinger, Jr., Zbigniew Brzezinski, and many others.

Culture and its importance to understanding international affairs has been another continuing theme, with lasting insights contributed by W. E. B. Du Bois, Isaiah Berlin, Margaret Mead, Bernard Lewis, and Samuel P. Huntington. Economics, another subject of sustained attention in the magazine, has drawn forth provocative essays from, among others, Peter F. Drucker, Richard N. Cooper, C. Fred Bergsten, and Paul Krugman.

All told, *Foreign Affairs* has published more than 3,500 articles on a wide range of international topics. Its contributors have exhibited an uncommonly high level of knowledge and thoughtfulness.

Under five editors, *Foreign Affairs* has grown over the years to a worldwide circulation of more than 270,000 and has increased its frequency from quarterly to bimonthly. The English-language version accounts for just over 100,000 copies. Foreign-language versions, a relatively recent innovation, contribute another 170,000. (The Japanese and Brazilian versions are produced in partnership with *Chuokoron* and *Gazeta Mercantil,* respectively.) Additional partnership arrangements to provide Spanish and other foreign-language versions are being explored.

Further reach comes from arrangements for the regular reprinting of individual *Foreign Affairs* articles in Russian, Spanish, and United Arab Emirates journals and from publication of our articles distributed to the general press through the New York Times Syndicate, which has increased substantially in recent years. To promote academic use, *Foreign Affairs* has expanded its successful custom anthology program. Befitting the times, *Foreign Affairs* now has a World Wide Web site and is innovating with a number of on-line services offering international affairs information and literature.

Most of all, though, we are proud of our continuing commitment to excellence. Over the years we have had the good fortune to publish some of the best writing on international affairs and thereby to have helped shape the agenda the United States faces in its encounter with the world. Mindful of this rich heritage, to which so many have contributed, *Foreign Affairs* marks its 75th year with the hope that the best is yet to come.

James F. Hoge, Jr.
Editor

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Comments

GRANGER COLLECTION

Nazi defendants at the Nuremberg war crimes trials, 1945–46

The Hague war crimes tribunal has reaffirmed the spirit of Nuremberg, but can it survive the Balkans?

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Answering for War Crimes

Lessons from the Balkans

Theodor Meron

In the fall of 1997 the judges of the International Criminal Tribunal for the former Yugoslavia will complete their four-year terms. If top and mid-level leaders indicted by the tribunal have not been arrested and delivered to The Hague by then, Antonio Cassese, the tribunal's president, has threatened to propose that the Security Council terminate the tribunal's mandate.[1] Cassese's warning echoes similar calls for top-level arrests from former chief prosecutor Richard Goldstone, justice of the South African Constitutional Court, and Louise Arbour, his successor from the Ontario Court of Appeals. Their frustration underscores the need for a careful evaluation of the tribunal's record and prospects.

The U.N. Security Council established the tribunal on May 25, 1993, when it adopted the Statute of the International Tribunal proposed by Secretary-General Boutros Boutros-Ghali. The council created the tribunal in response to the deliberate, systematic, and outrageous violations of human rights and humanitarian norms committed in the territory of the former Yugoslavia. Atrocities committed include summary executions, torture, rape, arbitrary mass internment, deportation and displacement, hostage-taking, inhuman treatment of prisoners, indiscriminate shelling of cities, and unwarranted destruction of private property. Of the 74 persons indicted for such atrocities, one has pleaded guilty and been sentenced to ten years imprisonment, five are currently in custody awaiting trial, and one—Dusan Tadić, a Bosnian Serb accused of committing abuses against Muslims in the Omarska concentration camp in Bosnia—is now standing trial. None of the seven, however, are top political or military leaders who gave the key orders. The absence of such leaders among those in custody has led Cassese to assert that the General Framework Agreement for Peace in Bosnia and Herzegovina reached at Dayton in November 1995 "is becoming an exercise in hypocrisy."

The tribunal's original purpose was to assign guilt for war crimes to the individual perpetrators and the leaders responsible,

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rather than allowing blame to fall on entire groups and nations. Its founders hoped that the tribunal could thus defuse ethnic tensions and assist in peacemaking. They also hoped that enforcing accountability would deter violations of international humanitarian law in Yugoslavia and elsewhere. Because the Hague tribunal was established while the war was still raging—in contrast to the Nuremberg war crimes trials, which began only after World War II had been fought and won—there was even a chance that it would have a deterrent effect for the remainder of the conflict. Conversely, failure to establish the tribunal would have eroded the values of Nuremberg and perpetuated worldwide the perception that even the most egregious crimes against humanity could go unpunished.

PAPER TIGER?

International or even national prosecutions for war crimes have rarely been the preferred option. Despite the bitter history of recent conflicts in South Africa and El Salvador, in both cases negotiations led to the establishment of truth commissions, not tribunals, as the principal institutions for addressing past injustices. Leaders in those countries understood that the people had to learn to coexist, and thus opted to pursue the process of reconciliation by combining efforts to set the historical record straight with pardons or amnesties for many perpetrators of atrocities. In the former Yugoslavia, the prospects for reunification and reconciliation were poor from the beginning. With the tremendous scale of atrocities, the hatred and suspicion between both the different communities in Bosnia-Herzegovina and their neighbors in the territory of the former Yugoslavia, and irresponsible leaders thriving on extreme nationalism and violence, international prosecution for war crimes appeared to be the only option.

From its inception, the tribunal has been plagued by the lack of cooperation from Serbian leaders in Belgrade, Bosnian Serb leaders in Pale, and Croatian leaders in Zagreb. In contrast to Nuremberg, where the allies had unlimited police power on the ground, the tribunal has had to depend on the readiness of the Security Council and the international community to exert pressure for full compliance on reluctant parties. When that pressure has been in short supply, the tribunal has encountered setback after setback. Suspects have been sheltered and protected. Access to sites where atrocities were committed has been obstructed, hindering the collection of perishable evidence. Witnesses, even victims, have withheld their testimony from the tribunal's investigators. That no witness for the prosecution in the Dusan Tadić case still lives in an area under the control of Pale or Belgrade speaks to the ever-present fear of reprisal among those who might testify.

Cooperation has been equally scarce at the governmental level. Republika Srpska, the Serb-majority entity in

[1]The tribunals for Rwanda and the former Yugoslavia share two organs: the prosecution and the appeals chamber. These organs will continue to exist even after the tribunal for the former Yugoslavia completes its business. The Security Council may thus have to amend the tribunals' statutes accordingly.

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Bosnia, has failed to execute any of the scores of arrest warrants it has been sent. The Federal Republic of Yugoslavia's record has been almost as dismal; it has not arrested any of the indictees on its territory. Croatia has detained one, but has so far failed to deliver him up to The Hague. Zagreb's limited cooperation with the tribunal, to which it committed in the Dayton agreements, has been a small price to pay for Croatia's growing international legitimacy (it was recently admitted to the Council of Europe, often seen as a way station en route to the European Union).

Failure to obtain custody of a significant number of those indicted has encouraged suggestions that the tribunal resort to in absentia trials. Tempting as they may be, such trials would challenge the generally accepted interpretation of the tribunal's statute, raise concerns regarding due process of law, and be inherently vulnerable to error and abuse—thus risking the tribunal's credibility, its most precious asset. Recognizing those dangers, the tribunal has wisely resisted the temptation.

But without in absentia trials, the tribunal is left with few options. The international community has given the tribunal strong rhetorical support, but little aid in enforcement. In addition, the tribunal has faced budgetary difficulties. Were it not for favorable public opinion, government and U.N. backing for both the tribunal and its budget would be even weaker. Antonio Cassese and Richard Goldstone have consequently devoted much of their time to mobilizing public opinion behind the tribunal and its mission. Goldstone's successor, chief prosecutor Arbour, will probably find it necessary to do the same.

WORDS, WORDS, WORDS

The Dayton agreements contained fairly robust language concerning compliance with the tribunal's orders, including the surrender of those indicted. Enforcement was another matter. Two possibilities were considered. The first was a diplomatic approach. In resolution 1022 of November 22, 1995, the Security Council suspended sanctions against the Federal Republic of Yugoslavia and Republika Srpska, but provided for the reinstitution of those sanctions within five days of receiving a report that either government was significantly failing to meet obligations under the Dayton agreements, one of which is cooperation with the tribunal. Either of two officials could issue such a report: the commander of the NATO Implementation Force (IFOR) or Swedish diplomat Carl Bildt, whose responsibilities as High Representative under the Dayton agreements include coordinating the implementation of civilian aspects of the settlement. Since Croatia had never been subject to sanctions, this option did not apply to it. As powerful a tool as the ability to automatically reinstate sanctions might have proved to be, the Security Council recently rescinded Resolution 1022 to reward Serbian President Slobodan Milošević for holding elections, an essential step in the peace process.

When the Presidency of Bosnia-Herzegovina and a steering board of foreign diplomats met in Paris last November, the parties confirmed their obligation to surrender indicted persons "without delay," while Western leaders spoke of linkage to economic aid and even new sanctions. Such statements, which are periodically issued but rarely meant, amount to nothing more than collective hypocrisy.

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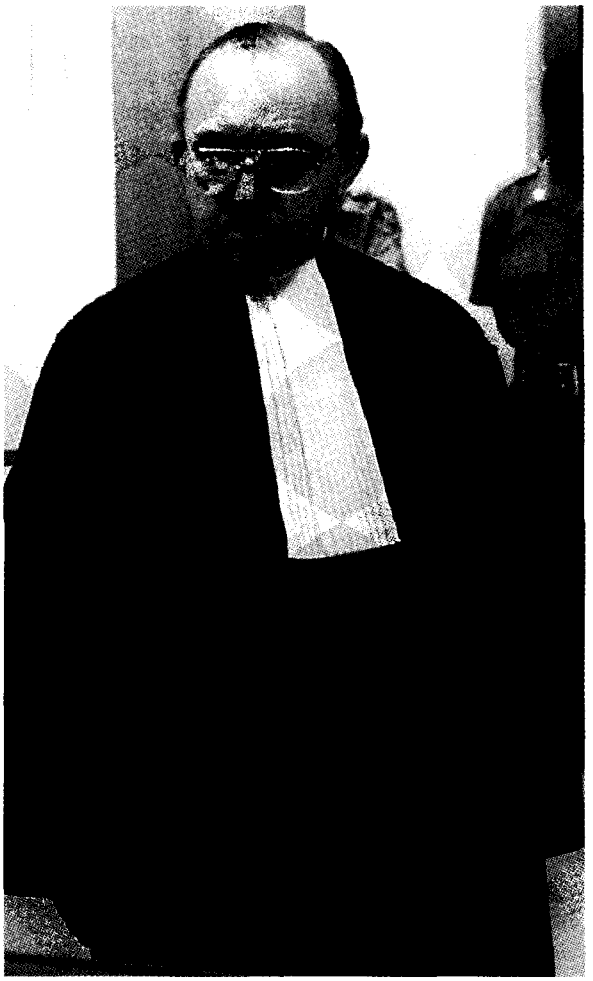
The second option considered was military force. But while the Dayton agreements granted IFOR sufficient powers, its leadership, spearheaded by the United States, chose to hide behind a transparent fiction. Under bizarre operating procedures, IFOR troops are allowed to arrest indicted war criminals they encounter, but cannot seek them out. As long as the international community had no effective power on the ground, the military's reluctance to attempt arrests was perfectly understandable. But given the military muscle IFOR now possesses, it is a disgrace that the principal indictees have not been detained, let alone delivered up to The Hague, and can instead thumb their noses at the international community by continuing to appear in public places. I believe that they could have been captured without serious casualties, especially with help from the intelligence community. The risk was worth taking.

The Clinton administration appears to have been split over the more aggressive use of IFOR, but the cautious view that no lives should be risked prevailed, as could have been expected in an election year. Perhaps after the elections there will be a greater readiness to seek out and arrest the principal culprits, but this must be done before time runs out for both IFOR and the tribunal.

Because the Dayton agreements have reversed neither the effective partition of Bosnia and Herzegovina nor the Serbs' control over the territory they held at the end of the war, the Bosnian Serbs' wartime leaders, Radovan Karadžić and General Ratko Mladić, will continue to be sheltered by Pale. For the time being, a realistic assessment of the future of the Hague tribunal's workload should thus be based on the trials of Tadić and the six others now in custody. Those six include three Muslims and one Croat who were staff members at the Celibici camp and will be tried jointly for alleged abuses committed against Bosnian Serbs; a Bosnian Croat who has pleaded guilty to crimes against humanity committed while serving in the Bosnian Serb army (he participated in summary executions of hundreds of unarmed Muslim civilian men in July 1995) and was sentenced on November 29, 1996,



ARCHIVE PHOTOS

Chief prosecutor Richard Goldstone, 1995

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to ten years imprisonment, which he may appeal; and Croatian General Tihofil Blaskić, who was indicted for ethnic cleansing in the Lasva Valley in central Bosnia—and was nevertheless arrogantly promoted by Croatian President Franjo Tudjman, only later to be "persuaded" to surrender to the tribunal after a rare instance of strong international pressure.

Since Serbs committed more atrocities than any other party, and since the lack of cooperation from Belgrade and Pale has made it more difficult to prepare indictments in cases where Serbs themselves were the victims, justice required that any indictments of Serbs be prepared and launched without waiting for parallel indictments of Croats and Muslims. Nevertheless, the fact that the tribunal's list of indictees was for a long time composed solely of Serbs exacerbated the Serbs' siege mentality and fueled their complaint that they were the only target.

Whatever their ethnicity, the number of people in custody is not conclusive evidence of success or failure. But numbers, along with the seniority and responsibility of individual defendants, could provide critical momentum that the tribunal may never gain. If IFOR could not carry out arrests with the tremendous firepower of its 60,000 troops in Bosnia, surely no arrests will be attempted as the NATO force dwindles and ultimately withdraws.

QUALIFIED SUCCESS

The great hope of tribunal advocates was that the individualization and decollectivization of guilt—placing responsibility on the leaders and the perpetrators of atrocities, rather than on whole communities—would help bring about peace and reconciliation. The tribunal's critics argued that it would obstruct peace negotiations. How, they protested, could those who make decisions at the negotiating table be expected to agree to provisions that might endanger their leadership and bring them to justice? The irony is that both sides were proved wrong. Because of the international community's reluctance or inability to enforce indictments, the tribunal has had no major impact, positive or negative, on national reconciliation.

It may, however, have had some positive impact on the broader peace process. One important result of the indictments, and of the Dayton agreements, was to establish a record of Karadžić's culpability in atrocities commited against Bosnian Muslims, and thus exclude him from direct participation in the political process. Whether that is a significant and lasting achievement depends on both the degree of his influence behind the scenes and his continued exclusion after the withdrawal of IFOR and its successor force. At the very least, Karadžić's absence from Dayton allowed Milošević to accept aspects of the agreement, including the lack of an amnesty clause, that Karadžić would likely have rejected.

Another of the tribunal's objectives was deterrence of continued and future violations of the law. There is some anecdotal, unconvincing material suggesting that the indictment of Serbs from the Krajina region of Croatia put an end to their rocket attacks on Zagreb. But the gravest atrocity, the Serb massacre of thousands of Muslims living in and around Srebrenica, happened in July 1995, when the tribunal was fully operational and Karadžić and Mladić had both been indicted.

Paradoxically, while the goals specific to Yugoslavia have not been fulfilled, the

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tribunal has had significant success in strengthening international law, an achievement that must be considered in any cost-benefit analysis. Without the establishment of the tribunal and the example of the Tadić trial, the perception that even the most egregious violations of international humanitarian law can be committed with impunity would have been confirmed. In the Tadić case alone, the tribunal has advanced the state of the law governing international and internal armed conflicts, especially as it pertains to the conduct of hostilities and crimes against humanity. It has also affirmed the customary, unwritten law that binds all states to international standards of behavior. Likewise, the appeals chamber's rulings on jurisdictional issues in the Tadić case have been the first judicial affirmation of international criminality and individual responsibility for violations of international humanitarian law since Nuremberg. Both the statute and the indictments also confirmed the international criminalization of rape. The tribunal has generated an unprecedented interest in humanitarian law and in punishing those who violate it. War crimes have entered the mainstream of political debate and U.N. decision-making.

In terms of pursuing justice within the former Yugoslavia, those indicted by the tribunal are now branded with a mark of Cain that serves as some measure of retribution, preventing them from traveling abroad and instilling in them the fear of arrest by an adversary or foreign government. In the absence of many actual trials and judgments, the confirmed indictments come as close as is possible to establishing a credible international record of the indicted persons' offenses, one that will discredit them until they stand trial.

Furthermore, without the Yugoslav precedent, the International Criminal Tribunal for Rwanda would not have been established to prosecute those responsible for the genocidal violence that swept that nation in 1994. The Rwanda tribunal also belies complaints about the Eurocentric nature of international concern over Yugoslavia. Beyond Rwanda, the International Criminal Tribunal for the former Yugoslavia has also triggered interest in the establishment of a permanent international criminal court, a concept now under active General Assembly consideration. On a national level, the revival of international humanitarian law has encouraged various countries to adopt statutes under the principle of universality of jurisdiction, granting competence to their national courts over violations of international humanitarian law committed in other states and enacting laws permitting the "extradition" of indicted persons to an international criminal tribunal. The evidence the prosecution has collected at The Hague could one day be used by national courts, especially as statutes of limitations do not usually apply to war crimes and crimes against humanity.

Last, and perhaps most important, the international investigation and prosecution of war crimes and crimes against humanity has proved credible and feasible. Helping to pave the way for future prosecution of such crimes, the tribunal has prepared a comprehensive set of rules of procedure and evidence, which, in the words of the tribunal, are the first code of international criminal procedure and evidence.

YUGOSLAVIA AND BEYOND

With four of the suspects in custody due to be tried jointly, and the trial of Gen-

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eral Blaskić scheduled to begin in January, the tribunal's work is assured for at least another year. More time will be required if Zlatko Aleksovski, indicted for crimes against Muslim civilians, is delivered up for trial as ordered by a Croatian court and confirmed on October 2, 1996, by the Croatian Supreme Court. There is also the possibility of appeals, which might require another six months. Even with these tasks, the tribunal may soon approach the end of its working life. It should not be continued only to serve as a fig leaf for the impotence of the international community to enforce international law. Perhaps the realization that the tribunal's days may be numbered unless indicted leaders and perpetrators are arrested and delivered up to The Hague may yet shock the international community into action. Folding the tribunal before it has tried a substantial number of major culprits would be immensely embarrassing to both the international community and to the United States, which has given the tribunal more political, budgetary, and logistical support than any other nation. It is this embarrassment, more than anything else, that can extend the tribunal's lease on life. The tribunal should not be terminated before concluding the existing caseload and any additional cases and, where possible, more expeditiously issuing additional indictments of principal culprits.

Unless custody over indicted persons is rapidly obtained, a mechanism for trying persons arrested in the future will have to be devised. One option is to reconvene the tribunal. Another is to encourage prosecution by national courts, as all states already have the right to prosecute those accused of grave breaches of the Geneva Conventions. To facilitate both options, during the next year or two the prosecution should organize the material it has collected in such a way that states that are willing and able to resort to national prosecutions can easily access and use it. Recently, nations worldwide have been more ready to prosecute human rights and humanitarian atrocities, including Korea, where even ex-presidents have been convicted, Ethiopia, and Honduras. In South Africa, prosecutions are under way against persons who did not cooperate fully with the truth commission by coming forward, reporting the entire truth, and seeking amnesty. It is not absurd to suggest that in a few years Belgrade, Zagreb, or even Pale might have more responsible leaders and more credible criminal justice systems, and might be ready to prosecute before their courts some of those indicted by the tribunal. The prosecution could aid such efforts by preparing a report on the historical record analogous to the report of a truth commission.

Despite the difficulties the Yugoslav tribunal has encountered, it may be necessary to follow the same or a similar model in the future. But from now on, international criminal tribunals must be more effectively supported by police power. Just as there can be no national justice without a police force, there can be no effective international justice without arrests, subpoenas, investigations, and a reliable enforcement mechanism. The international community's inability to create such a mechanism, whether for ad hoc criminal tribunals or for the proposed international criminal court, threatens all efforts to create a system of international criminal justice. But we must not give up in despair.

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The Case for EMU

More than Money

Peter Sutherland

In the intensifying debate over the prospects for European economic and monetary union, there is danger of losing sight of the most fundamental fact about EMU. Like everything else in the push for European integration, it is essentially a political undertaking. To underline that truth is not to deny the compelling economic rationale for EMU but to emphasize that there is more at stake.

The economic rationale is based on the inherent logic of Europe's single-market strategy; EMU may well be essential to the single market's survival. But it has also become a test of both the European Union and the political commitment of its 15 member states, one that goes beyond the technicalities of the project. If Europe fails the test, the consequences for integration will be serious.

Assuming that monetary union will begin as scheduled on January 1, 1999, it is still too soon to know which of the EU's member states will qualify to take part in the first wave; that decision will depend on how each nation's key economic indicators develop. But there is already a growing sense that it could be a substantial minority, perhaps even a significant majority, of the member states.

EMU's critics continue to argue that it is a bad and damaging idea. But the skeptics have changed their tune. They no longer claim that monetary union will be a failure because most member states will be unable to meet the criteria for economic convergence that the 1991-92 Maastricht treaty set for admittance; they instead predict that the member states will realize that EMU is vital to the political enterprise of European integration and cannot be allowed to fail, and will therefore fudge or even disregard the criteria. Either way, in their view, the result is the same: something called EMU will happen, but it will be botched, and will prove to be a grave mistake for the European Union.

The critics maintain that EMU will not work because the member states will fail to reform their rigid labor markets and burdensome welfare systems. Such reforms

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are exceptionally difficult, to be sure, and will be resisted by vested interests. France's current attempts to solve structural problems relating to social security and public employment and Germany's push to modify pension and sick leave benefits are meeting the resistance one would expect. But predicting that those efforts will not succeed seems unnecessarily pessimistic. Their inevitability is widely recognized, as evidenced by privatization programs under way virtually everywhere in Europe. There is also new realism and a sense of the need for constructive engagement on these issues among many of Europe's trade unionists.

Above all, the competitive liberalization of the global economy will require such reforms even absent EMU. Would the social partners in the German economy, for example, choose to commit collective suicide rather than carry out such reforms? Or would the German body politic be more reluctant to engage reform with European Monetary Union than without it? Anglo-Saxon economists have written off the German economy so many times, and so prematurely, that it seems foolhardy to do so once again. No doubt the liberalization and deregulation of the German economy, like similar efforts in France or Spain, will be less than ideal. But it is unreasonable to assume that they will not occur.

POLITICAL ECONOMICS

The member governments adopted the EMU project because they were persuaded that it was based on a sound economic and monetary rationale. Specifically, they were convinced that the single market, including the free movement of capital, was not compatible with stable exchange rates and stable monetary policy, except with a single currency. Having tried several schemes to stabilize exchange rates, all of which stopped short of a single currency and all of which failed, they decided to aim for a single currency. It is almost inconceivable that they would have embarked on an undertaking of such ambition and inherent uncertainty had they not been persuaded of the project's political efficacy as a means for furthering integration.

By the same token, however, both governments and central banks have been dogmatic in their pursuit of the Maastricht convergence criteria, and their treaty-driven efforts to control inflation and cut budget deficits may have unnecessarily aggravated the recessionary tendency in the economic cycle. But they have had to tread a narrow path, maintaining the Maastricht process' credibility while dealing with difficult social and economic issues. After all, what is involved is a secular change in economic policy, economic behavior, and, above all, public opinion. Economic and monetary union will not occur at all unless the Bundesbank, the Bundestag, and the German people all believe that the new currency is as good as the deutsche mark. Economic and monetary union will not work well unless the public in each participating country is persuaded that low inflation is inherently desirable and that the new low-inflation policy is serious and permanent. The Bundesbank and the Banque de France may have been conservative in their strict pursuit of the Maastricht criteria, but if they had appeared to have had only a conditional commitment to the policy of low inflation during this critical period of transition to the single currency, they could have jeopardized the credibility of the entire enterprise.

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Once the single currency arrives, Europe will be in a different ball game. Government deficits will have been reduced, automatically easing recessionary factors. Moreover, if the practice of low inflation has been established and accepted, central bankers will feel more confident that they can lower interest rates without triggering inflationary reflexes. Once Europe is through the white water of the transition and achieves single currency, the balance of constraints in the system will significantly change: the European Central Bank and the national governments will together have to ensure a constructive tradeoff between fiscal and monetary policy, so as to combine low inflation with reasonable growth. But the nightmare scenario—that Europe's central bankers will bear down ruthlessly hard on inflation while the Maastricht criteria bear down on demand management, driving the entire European economy into permanent recession—is implausible.

European governments are shooting for monetary union not as a mindless act of dogma but as an act of political will. When the member states decide, in the first half of 1998, which of their number qualify for EMU, they will apply the Maastricht criteria in such a way as to give monetary union the best possible chance of survival. After that, the countries taking part in the first wave will be required to do whatever is necessary to ensure that monetary union works properly. I believe this is fully understood and accepted.

MAGIC NUMBERS?

Two of the key qualifying criteria in the Maastricht treaty are that government budget deficits be less than 3 percent of GDP, and government debt less than 60 percent of GDP. But nobody is under any illusion that there is something magical about those numbers. Some experts believe that a deficit ceiling of 2 percent of GDP would have been better; others hold that 4 percent would have been reasonable enough and more acceptable at the low point of the economic cycle. The German Finance Ministry has argued that eventually the target ceiling should fall lower still—1 percent of GDP or even less. Nevertheless, on judgment day the member states will measure performance against the yardsticks of 3 percent and 60 percent, the figures prescribed in the treaty.

Everybody knows that these yardsticks do not measure some sacred truth; they only suggest which member states can be counted on to deliver economic policies that are stable, disciplined, responsible, and unlikely to spur inflation. Paradoxically, much of the public controversy over the convergence criteria has focused on parameters that may in some cases be of secondary importance, such as the level of public debt, while little attention has been paid to the most important indicator of all: low inflation. The size of its public debt would apparently exclude Belgium from the first wave of monetary union, but in terms of the more important criterion of monetary stability, it should clearly qualify. Economists may differ on whether the lowest possible level of inflation is inherently desirable, or whether—as the evidence seems to suggest—a slightly higher level may be optimal for faster economic growth. But from the business point of view, the prospect of stable and predictable economic policy is EMU's most desirable characteristic. The target figures in the Maastricht treaty are designed as indica-

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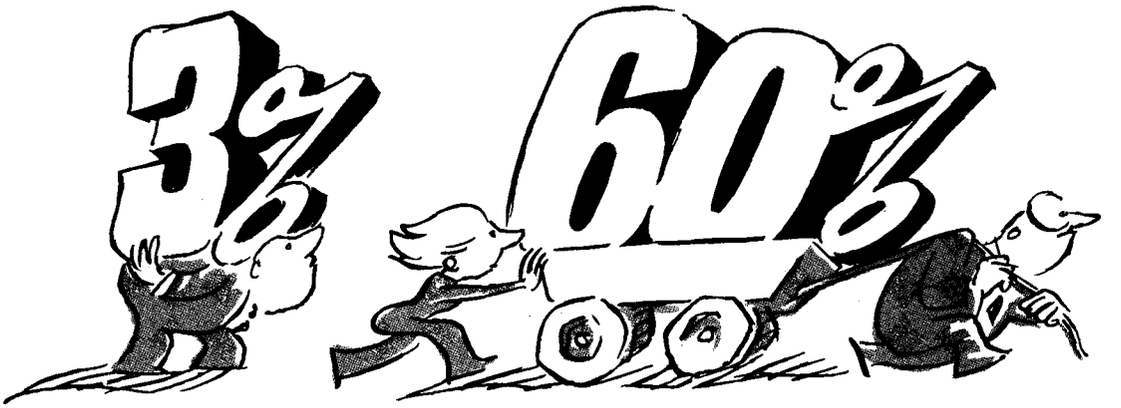

IB OHLSSON

"Nobody is under any illusion that there is something magical about these numbers."

tors of the ability and willingness of each national political system to conform to that general objective.

Of course, by the time judgment day arrives, the static and slightly backward-looking quality of the Maastricht convergence criteria will have been complemented, or perhaps largely displaced, by a more rhythmic and forward-looking system, the stability pact first discussed at the EU summit in Dublin last December. Judgment day will thus be more about the future than the past, with member states advancing to the single currency only if they are deemed willing and able to enter into a new contractual system of collective economic discipline.

What is ultimately at stake is a political judgment. The final decision as to who will advance in the first wave of EMU will not be made on the basis of the economic numbers chalked up by the end of 1997. It will instead be a group judgment as to which member states can be counted on to meet the future obligations of monetary union—in essence, a political judgment on each others' political systems. This is not usually acknowledged in public, largely because the connotations are uncomfortable, even invidious. But it is unavoidable.

If this is the realpolitik of the Maastricht decision-making process, and if monetary union is to have a reasonable chance of working, the first wave of participating member states should be selected carefully. At one end of the spectrum, the most natural candidates for early membership are member states like the Netherlands that are, in a sense, already in the deutsche mark bloc; they are the countries least vulnerable to questions about their ability to compete inside a monetary union. At the other end are member states that are converging on the Maastricht criteria but have not yet established a stable political or economic record of convergence. EMU will be a high-stakes enterprise, and the European Union cannot afford to include member states that can and should be ready for integration in the near future, but are not ready now.

However, there must be no premature rejection of a candidacy. If a member state meets the criteria in a comparable manner

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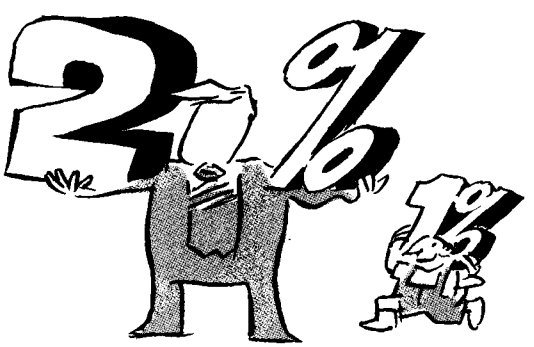
to France or Germany, they cannot reasonably be rejected. Furthermore, it is only legitimate to postpone a membership of EMU if that membership would fail to comply with the criteria in a sustainable manner, thus damaging the system.

THE FRENCH CONNECTION

France will, of course, be monetary union's most critical test case. French participation will be politically vital for a successful launch of EMU. With a year to go before judgment day, it is too early to know whether France will succeed in bringing its deficit below 3 percent of GDP or its public debt below 60 percent of GDP. But it is important to understand the consequences of failure. If France fails to meet the criteria by a wide and indisputable margin, the European Union will face a triple dilemma of crisis proportions. If other member states were to turn a blind eye to the French failure, they would be jeopardizing the monetary credibility of the entire EMU system; if they were to put the single currency on hold, the temporary delay could become indefinite; if they were to press ahead with the single currency, but without France, the political partnership between France and Germany, symbol and engine of the European enterprise, would be rocked to its very foundations.

It seems obvious that the other member states will and should be anxious to give France the benefit of the doubt, provided that its budgetary figures are not too far from the Maastricht targets and that it is moving in the right direction. The French policy of low inflation and currency stability, maintained for a dozen years under successive governments of both left and right, lends credibility to the French establishment's political commitment to EMU. In addition, President Jacques Chirac has resisted the populist temptation to revert to the old Gaullist model of French nationalism.

But even if the member states are irreproachably rigorous in determining which of their number qualify for the first wave, the European Union has a vital interest in developing the entry process for those member states left to the second wave. It can do so by building strong institutional links between the "ins" and the "not-yet-ins" on matters both of currency stabilization and macro-economic policy management. This is the logic of recent negotiations between European finance ministers and central bankers. If successful,



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those negotiations should help blur the sense (or fear) of political discrimination among the "not-yet-ins" without jeopardizing the credibility or stability of the monetary union itself.

There is, of course, another paradigm among the member states: the United Kingdom. Britain has a strong and stable political system, which ought to promise predictability of policy. In principle, it should also be able to meet the Maastricht criteria, if not quite in time for the January 1999 starting date, at least not long thereafter. In practice, it seems unlikely that a Conservative government would even advocate membership in EMU. And it cannot be taken for granted that a Labour government would be an early candidate.

Under Tony Blair, the Labour Party is adopting a more positive tone, toward the European Union in general and toward economic and monetary union in particular. It is possible that after the general election a Labour government would seek membership in EMU. But Labour is committed to holding a referendum before joining the single currency, and this would require a powerful campaign of persuasion, since strong support for monetary union does not yet exist. Public opinion could be brought around to the idea; what is in question is whether it could be brought around in the nine months or so between a British election and the moment of decision in Brussels. The real trouble is that Britain has an uninterrupted record of resisting the political implications of closer European integration in general, and of monetary union in particular.

For the majority of the EU member states, the ultimate rationale of monetary union lies in its contribution to the larger political strategy of European integration. Those who wish to be part of economic and monetary union should make clear to their electorates that this is a profoundly political act. It is time to come to terms with the essential nature of the European integration process; it's not about losing one's nationality, but it is about sacrificing some degree of sovereignty. The evidence suggests that an overwhelming majority of the EU's current members are willing to take the next step, and that even the laggards will soon follow suit.

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Europe's Defense Challenge

Reinventing the Atlantic Alliance

Alyson Bailes

Reports of NATO's demise are as premature as ever. While analysts continue to brood over how it can survive in the absence of a manifest threat, NATO is not only surviving, but growing and reinventing itself with a newfound vigor. But like all processes of growth and adaptation, this one is not without its share of pain. Today's distinctive challenges—peaceful enlargement, policy toward Russia, containing ethnic and terrorist violence—demand a solid transatlantic community and a NATO that can get up and go. As NATO stretches to meet these challenges, it is rediscovering some of the deepest strains within the Atlantic defense community. While it may not be the easiest time to overcome those contradictions, it is high time to try.

The Clinton administration is rightly credited with a more open and inventive U.S. approach to power-sharing and burden-sharing in the North Atlantic alliance. Recent accomplishments include the NATO summit declaration in January 1994, which launched the idea of joint task forces that could be "loaned" out for European-led operations; the Dayton accords on the former Yugoslavia, which restored the allies' unity of political as well as military purpose; and the Berlin NATO ministerial meeting of June 1996, which thrashed out guidelines not just for the joint task forces, but for a reformed NATO structure with clearer European elements.

But in both its deeper sentiments and day-to-day reactions, the U.S. establishment still projects confusion about what it wants out of Europe. On the one hand, there is an American hunger not so much for burden-sharing as burden-shedding. This impulse can translate into an insistence that the Europeans must look after themselves "ready or not," and an implication that Washington will not care how they do it. On the other hand, there is the U.S. insistence not just on leadership but on control of any shared enterprise, which perhaps helps explain why American commentators sometimes treat independent European defense

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and diplomatic efforts as a threat to be mocked out of existence.

In the broader foreign policy field, Americans criticize Europe's failure to speak with a single voice, and have difficulty taking that voice seriously when it comes from a small state or the European Commission. Washington is still more comfortable doing old-style political deals with the biggest Europeans—and, not surprisingly, so are the biggest Europeans.

This is not the only factor helping Europeans understand, and to some extent excuse, American ambivalence. The impact of such givens as the limits of congressional thinking on foreign affairs, Washington's interagency difficulties, and the power of the U.S. military-industrial complex is well-known. At a more profound level, the fact that U.S. citizens, unlike most Europeans, have never seen the writ of a supranational political and economic union run across their territory and have never been in an alliance they did not dominate leads to both trivial and fundamental rifts in perception. It helps explain the periodic American obsession with control and fear of commitments. These tendencies tie the body-bags neurosis to the right-wing nightmare of U.N. invaders marching down our streets. The Europeans' radically different experiences mean not just an altered psychology but a different approach to decision-making that is hard for the United States to understand—and sometimes to tolerate.

Many Europeans are equally impatient with the European Union's latest Inter-Governmental Conference on strengthening the EU. Some are exasperated with the forces, notably in Britain, barring a new quantum leap in integration. Others, not only in Britain, feel this is the worst time to be contemplating radical change or even wasting political energies discussing it. This confusion of opinions, like much of the United States' own introspection, is one symptom of the post-honeymoon mood now gripping the West—the discomfort of a time when serious adaptation to the new international order can hardly be deferred.

NATIONAL QUANDARIES

Nowhere, perhaps, has this belated adjustment been more boldly attempted than in President Jacques Chirac's France. French defense cuts, the end of French nuclear testing, the phasing out of conscription, the scrapping of previously sacred Franco-German projects, and the trek back to NATO do not signal the surrender of old ambitions so much as the framing of new ones. France now perceives its national interests as being better served from within an alliance where Paris has its hands on both the military and political reins. Balance with Germany can be better achieved by "keeping America in" and keeping Russia at a safe distance—inter alia through prudent EU and NATO enlargement—than by immobilizing the Germans in the bearhug of a Franco-German relationship alone.

German acceptance of this realignment is, of course, not automatic. If Bonn's Atlanticists rejoice at France's return to NATO, they also must now contend with France as a powerful rival in NATO's inner policy circle. France's agenda there, particularly its keenness to re-marshal European defense capacities for quick-fire worldwide action, turns the spotlight back on the most sensitive issues of Germany's own military role. Psychologically as well as materially, the old, static, territorial

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NATO command structure suited Germany well. The ambiguity of the post-reunification honeymoon period has allowed Germany to have and eat all its cakes: good Atlanticist, good European, champion of NATO enlargement, friend of Russia. Now, Chirac's painful choices are reminding Germans of their own to come.

These are not the only national quandaries in the European defense debate. Britain, still at loggerheads with Europe on so many issues, has a strong card to play in its rapidly deployable military assets and its political willingness to use them in European coalitions. At the other end of the spectrum, the new EU members not in NATO—Finland, Sweden, and Austria—have sought to join the European defense club and get an equal say in humanitarian deployments without (yet) paying membership dues. Norway, Iceland, and Turkey, all important for defense but excluded from influence in the EU, remain concerned that their exposed strategic positions will be overlooked. Overshadowing all this is the larger European debate about how much "deepening" of the EU's integrated structure is possible before the admission of new Central European members, and whether the future lies with an equal pace of integration for all members or only for a privileged core.

FOUR OPTIONS FOR DEFENSE

Debate at the Inter-Governmental Conference has suggested four options for mobilizing Western Europe's future contribution to defense and security. The first, promoted by Finland and Sweden, envisages the EU explicitly adopting defense goals but limiting these to the humanitarian operations known as the Petersberg tasks—military-assisted evacuations, peacekeeping, and crisis management under proper international mandate. All EU members, including the four neutral countries, would have equal rights to decide on and take part in these operations. NATO would be left as insurance against any real—if now remote—threats to its members' territory. The Western European Union, whose full members all belong to the EU and NATO, would not necessarily disappear. But the WEU's primary function would be executing the EU's orders.

Publishing such a proposal at all was a significant step for two of Europe's most principled and cautious neutral states. However, while it may suit their interests, blurring the rights between allies and non-allies does not sit well with most members of the European Union. This approach would erode the critical distinction between guaranteed mutual defense and mere political solidarity. In practice, it would mean the Europeans could only launch missions that fit the constitutions and consciences of all 15 member states, including those most removed from NATO. The EU would play good cop while the tough and dirty tasks would be left to the alliance. Where then would be the incentive for NATO to reform itself as a versatile crisis management organization?

The Inter-Governmental Conference is also considering a Franco-German compromise that would link the Finnish-Swedish scenario with the recognition that NATO also can and should be employed for Petersberg-style tasks (the Implementation Force being a prime example). This second option would eventually melt the WEU into the EU, so that the EU could fully and directly exercise its defense

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vocation. But, like St. Augustine's chastity, this merger is not to be attempted just yet.

For the present, this proposal would allow the European Council, the EU's top political organ, to issue directives for European military actions in concert with diplomatic and economic pressures being brought to bear by the EU. The detailed implementation, however, would still belong to the WEU so that the practicalities could be coordinated with NATO. Meanwhile, the EU's policymaking approach to diplomatic and security affairs would be retooled to prepare it for making tough defense decisions. There would be flexibility for smaller groups of states to launch and carry out initiatives with the passive support of the rest. Starting with the Franco-German Armaments Agency, European defense industry cooperation would be tightened. The various "Euro-forces" would eventually become the core of a comprehensive European force structure.

Cautious and not too disruptive for the alliance in the short term, this approach allows France to focus its military creativity on restyling NATO. But transferring at least some defense decisions to the EU, including the neutrals, evokes many of the same difficulties inherent in the Finnish-Swedish proposal. It also implies that France has not relinquished its vision of Europe as a military power with a distinct role in its own defense. The tension between this vision and France's newfound loyalty to NATO is only one of the contradictions the Franco-German platform manages to span. It also masks the still very different French and German views on the proper scope of national defense activity, as well as broadly divergent views on Europe's right to intervene elsewhere in the world.

That might just be seen as good diplomacy, were it not that such strained compromises stave off the clarifications German security policy so badly needs. As long as such modest formulaic changes can be hailed as progress in European defense, where is the pressure for Germany and, indeed, other states to bear the pain and cost of modernizing their intervention capabilities? If Germany can offer mutually incompatible homage to NATO and an all-powerful EU, what chance is there of identifying the true capacity and needs of either organization?

These and other objections have led Britain to develop a third scenario for European defense. The British plan maximizes European capabilities for action while leaving the institutions very much as they are. Whatever defense goals might be reflected in the new treaty emerging from the Inter-Governmental Conference, the EU could only act on them by requesting—not ordering—the WEU do the job in support of EU policies. The decision to act, with its potential life-or-death consequences, would thus be made by full members of the WEU, while the neutrals could opt into deployments (and get an equal operational say) only after this point had been passed. The non-EU European members of NATO would have equally good or better access to WEU coalitions. Europeans would maximize their contribution within NATO so that the new command structure would give them a strong presence and share of leadership in every part of the alliance structure.

Recognizing, however, that European states may sometimes have interests that require action outside NATO, the WEU would be strengthened as an autonomous decision-making center with appropriate

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organs for politico-military consultation, planning, intelligence-sharing, and so on. It would not need its own standing forces because in many cases it could borrow NATO's joint task forces, or use European headquarters for simpler and smaller tasks. Furthermore, the WEU could initiate missions with no set geographical limits, including police actions, blockades, and operations in close support of the United Nations or relief agencies. The onus would be on all Europeans to share in this planning and to preserve at least some national capacity for crisis management.

This option, though criticized by most Europeans as selling the EU short, is not the most conservative proposal under debate. A fourth option would be to merge European defense completely, not with the EU but with NATO. Since the great bulk of European forces are already pledged to the alliance, why not decide on, launch, and manage independent EU missions within the NATO structure? Many commentators have described such an outcome as not only desirable but inevitable now that France is back in the fold. Yet it is no accident that no ally, including the United States, has officially endorsed this solution. Earlier in history it might have been easier, but today the Europeans have a more conscious political identity, are accustomed to the privacy of their discussions, and are more trenchant about occasional differences with America. The former Yugoslavia has left them in no doubt of why and when they may need to have U.S. forces with them on the ground. But they also want to be free to take their own risks with smaller or more offbeat missions that are uncongenial for the United States and perhaps too delicate for the heavy hand of NATO. On the other side of the Atlantic, some question whether fully separate, deployment-ready European forces could be created inside NATO without sidelining the United States' own role too far. And some question whether EU nations could cooperate in NATO on separate decisions without splitting the alliance into two camps and totally marginalizing Canada and European countries outside the EU. The WEU could still earn its survival by offering an escape from these issues while permitting independent European decision-making.

ATLANTIC COOPERATION

While the Europeans are tying themselves in knots, NATO is preparing for one of its most significant transitions. Timing suggests that the Inter-Governmental Conference may offer its final conclusions just as the alliance is beginning accession talks with new members and probably facing choppy water with Russia. The United States can and should ask the Europeans not to rock the NATO boat unnecessarily, whether by adopting measures that would be divisive across the Atlantic or by setting new obstacles in the way of the Central Europeans' admission. Turning the EU into a defense organization now would offer Russia two bugbears in place of one, complicate the new members' obligations and force requirements, and destroy any possibility of the EU assisting countries left out of NATO by taking them into its own nonmilitary community. These are three good reasons—aside from the undecided stance of the European neutrals—for avoiding too large a European leap forward now.

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For the longer term, the United States should first accept without ambivalence that in defense, as in other areas, it needs Western Europe to be strong. It must be strong to integrate eastern neighbors, encourage positive developments in Russia, share the burden of crisis management on its own periphery, and create balance rather than conflict with a rising Asia. If the Europeans adopt false measures of strength, if they celebrate purely institutional progress while limiting themselves to the softest good cop options, the United States should vociferously complain. It should not, however, begrudge the Europeans whatever extra motivation for defense they can muster by associating it with the political cause of EU integration or by assuring their people that they can command their own missions when necessary. The United States should not feel it has to belittle Europeans' contributions to justify its own continued leadership. Conversely, Washington must also recognize that exaggerating the defense potential of Europeans as an excuse for prematurely cutting them loose would be a dangerous gamble with America's security.

As long as the United States and Europe need each other, guarantees matter. Absolute mutual assurance gives NATO its character as an integrated organization and makes it an effective support for democracy and wealth creation. It restrains laziness, selfishness, and nationalism. In a Europe whose peripheries are erupting with ethnic violence, this hardly seems the moment to throw away the allies' golden handcuffs. But if the United States is to continue as the largest purveyor of guarantees, it has the right to insist that its European partners do not devalue the commodity.

For its part, Washington must come to accept that a separate European decision-making center for defense, with distinct European forces in NATO it can call upon, is now part of the price for British and French commitment to NATO's renewal—and the best way to draw German defense further out of its shell. In negotiations on the new NATO structure, the United States will have a perfect right to oppose solutions endangering the integrity of the alliance, just as it can criticize countries who take positions in the Inter-Governmental Conference that conflict with their assurances to NATO. But the United States will not benefit anyone by trying to reverse the spirit or the letter of the Berlin ministerial agreements. Rather, on its current course, America stands to gain a strong and healthy European partner. And the prize is not just good security for the next few years, but the way the European landscape will look when and if the day comes for NATO to wither.

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Turkish and Greek Cypriots in the buffer zone, August 1996

The precedent for the Dayton accords is not Munich, but Cyprus.

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The Troubled History of Partition

Radha Kumar

BOSNIA GOES THE WAY OF CYPRUS

THE SEPTEMBER elections in Bosnia highlighted what was until then an implicit aspect of the current peace: it is more likely to move Bosnia toward the ethnic states for which the war was fought than to reestablish the multiethnic Bosnia that once was. Indeed, as the Dayton process unfolds, it becomes clearer that the peace agreement signed in November 1995 after three and a half years of war was something historically familiar: a so-called peace accord that is in reality a partition agreement with an exit clause for outside powers.

At the same time, while key aspects of the document, such as the creation of two "entities" with virtually separate legislatures, administrations, and armies, tend toward partition, the pact attempts to get around some of the more hostile legacies of partition through a common economic space and arms control, and it creates structures that could reverse the partition process by returning refugees and rebuilding civil society. So far, these structures have been dormant, and the holding of national elections in a still highly uncertain peace marks the tilt toward partition. As was widely predicted, the Bosnians gave their ethnic leaders new mandates, and Bosnia took another step toward partition. However, the postponement of the municipal elections due to irregularities in voter registration means the international community is not yet in a position to accept partition as the democratically expressed will of the people.

RADHA KUMAR, a Warren Weaver Fellow at the Rockefeller Foundation, is the author of the forthcoming book *Divide and Fall: Bosnia and the Annals of Partition.*

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ARCHIVE PHOTOS

Palestinian riot police prepare to confront protesters on the West Bank's border, September 1996.

The Bosnian war and the Dayton peace agreement have reignited a debate on whether partition is an effective solution to ethnic conflict. Although Bosnia is the starting point, the arguments in this debate have broad resonance at a time in which the rapid spread of ethnic and communal wars east and south of Bosnia is of increasing concern to the international community. Defenders of partition make an argument that runs as follows. When an ethnic war is far advanced, partition is probably the most humane form of intervention

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because it attempts to achieve through negotiation what would otherwise be achieved through fighting; it circumvents the conflict and saves lives. It might even save a country from disappearing altogether because an impartial intervenor will attempt to secure the rights of each contending ethnic group, whereas in war the stronger groups might oust the weaker ones. In fact, its advocates say, the ideal strategy for resolving an ethnic conflict is to intervene and take partition to its logical conclusion by dividing a country along its communal battle lines and helping make the resulting territories ethnically homogeneous through organized population transfers. This will ensure that partition is more than a temporary means of containing conflict. Less thorough partitions, however, can still be a lasting means of containment.[1]

Partition, however, has its own sordid history, not arising as a means of realizing national self-determination, but imposed as a way for outside powers to unshoulder colonies or divide up spheres of influence—a strategy of divide and quit. Although described as the lesser of two evils, the partitions in Cyprus, India, Palestine, and Ireland, rather than separating irreconcilable ethnic groups, fomented further violence and forced mass migration. Even where partition enabled outside powers to leave, as in India, it also led to a disastrous war. Often thought of as a provisional solution, it has been unable to contain the fragmentation it triggers among dispersed or overlapping ethnic groups that are not confined by neat geographic boundaries, and it gives birth to weak civil institutions demanding supervision. Similar conditions ensure that the partition of Bosnia, which from the start should have been reintegrated, will also amount only to a policy of divide and be forced to stay. The Dayton accords should not evoke memories of Munich, but rather of Cyprus.

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[1]For examples of this view, see John J. Mearsheimer, "Shrink Bosnia to Save It," *The New York Times,* March 31, 1993, p. A23; Mearsheimer and Stephen Van Evera, "When Peace Means War," *The New Republic,* December 18, 1995, pp. 16-21; and Chaim Kaufmann, "Possible and Impossible Solutions to Ethnic Civil Wars," *International Security,* Spring 1996, pp. 136-75. Kaufmann goes so far as to suggest that after an international military takeover, international forces should intern "civilians of the enemy ethnic group" and "exchange" them once peace is established.

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THE ROAD TO QUITTING

THE ARGUMENT for ethnic partition is not new, but its terms changed considerably over this century before settling upon the current rationale of the lesser of two evils. Before World War I, most partitions were effected for the needs of empire, to strengthen rule or simplify administration. After 1918, however, colonial empires were increasingly challenged, and subsequent partitions took place as part of a devolution of authority or a Cold War policy of spheres of influence. There were two distinct rationales for the partitions resulting from the fall of colonial empires: Wilsonian national self-determination, applied to Poland and Romania, and the British colonial policy of identifying irreconcilable nationhoods, applied in Ireland, India, and, as a delayed response, Cyprus and Palestine. Though both rationales took ethnic identity as an important determinant of political rights, Wilsonian policy supported ethnic self-determination as freedom from colonial rule, while the British reluctantly espoused partition as a lesser evil than constant civil war.

After the last attempt to ratify a partition—Cyprus after the Turkish invasion in 1974—the notion that partition was an effective solution to ethnic conflict fell into disuse for a quarter-century. Paradoxically, its revival followed hard on the heels of German reunification and the potential integration of Europe that it heralded. In the first phase of the revival of partition theory, Wilsonian self-determination was invoked more often than the lesser-evil argument. Indeed, the prevailing feeling was that the end of the Cold War—and the relatively peaceful dissolution of the Soviet Union—meant that separations could be negotiated. In the early 1990s the most frequently cited example of a peaceful negotiated division was Czechoslovakia's "velvet divorce." When asked on *The News Hour with Jim Lehrer* in November 1995 whether the Dayton agreement was a partition, Assistant Secretary of State Richard C. Holbrooke said he preferred the example of Czechoslovakia's voluntary dissolution. But fewer people now refer to the Czech split. That the Czech Republic and Slovakia were relatively homogeneous and that dissolution of the federation did not require an alteration of internal borders or a substantial displacement of people make the comparison with Bosnia untenable. A comparison between Bosnia and the partitions of Ireland, India, and

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Cyprus, or the incomplete partition of Palestine, would be better, because each involved ethnically mixed and dispersed populations and each was held to be a pragmatic recognition of irreconcilable ethnic identities.

It is worth examining these partitions' relevance to Bosnia in more detail. All relied heavily on the lesser-evil argument, but in at least two of them the decision for partition was prompted not by a desire for peace and self-determination, but because the colonial power, Britain, wanted to withdraw. The recognition of irreconcilable nationhoods followed as a consequence—it would be easier to withdraw quickly if the aims of the ethnic leaders were fulfilled by territorial grants. Looking back on the 1947 partition of India in 1961, former civil servant Penderel Moon summed up as "divide and quit," in a book of the same name, the British policy of pushing partition through without establishing the boundaries of new states or planning for the wars that might ensue; it was the post–World War II imperative of quitting that drove the decision to divide, he said. It was arguably the post–World War I imperative of quitting the Irish conflict that led the British to espouse a partition of Ireland.

Colonial powers' desire to withdraw, not self-determination, drove past partitions.

That both divisions were driven by considerations extraneous to the needs and desires of the people displaced does not necessarily mean that partition was not a solution to their conflicts. However, as in India and Ireland, partition has more often been a backdrop to war than its culmination in peace; although it may originate in a situation of conflict, its effect has been to stimulate further and even new conflict. Indeed, India's experience raises the question of whether a peaceful transition to partition is possible. India's political leadership agreed to partition the country before the spread of large-scale conflict; the 1947 partition agreement between the Indian National Congress and the Muslim League was intended partly to prevent the spread of communal riots from Bengal in eastern India to northwestern India, which was also to be divided. But the riots that followed in 1947-48 left more than a million people dead in six months and displaced upwards of 15 million.

Moreover, partition arises in high-level negotiations long before it becomes evident on the ground. The British partition of Ireland in 1921

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was a late addition to negotiations for home rule during the 1919-21 Anglo-Irish war for independence, but partition had been on the drawing board since 1912, when it was suggested by a group of conservative and liberal members of parliament that Protestant-majority counties be excluded from the proposed Irish Home Rule Bill. Calls for partition were renewed in 1914, 1916, and 1919; the offer of a double partition of Ireland and Ulster based on religion led to the spread of conflict between English and Irish across the south, west, and north of Ireland, escalating to guerrilla warfare when Catholic rebels formed the Irish Republican Army in 1919. Nor did the war end in 1921 when Britain negotiated a treaty with Sinn Fein, the political arm of the IRA, offering dominion status to southern Ireland in return for a separate Ulster under British administration. The decision to accept partition led to a split in Sinn Fein, and internecine conflict was added to communal conflict, ending two years later with the defeat of the faction led by Eamon De Valera. It took almost four years of war to achieve the partition of Ireland, and those four years were themselves a culminating phase in a movement toward partition that had begun ten years earlier.

Significantly, the British rejected the partition option in Palestine in the same years that they espoused it in India. The two reasons they gave were infeasibility and the risk of a military conflict that would involve an expanded British presence. Although partition had been proposed in 1937 by the Peel Commission, which concluded that cooperation between Jews and Arabs in a Palestinian state was impossible, and had been the subject of debate in Britain throughout the 1930s, in 1946 the British members of the Anglo-American Committee of Inquiry argued that because ethnic groups were so dispersed, partition would entail massive forced population transfers, and that the territories created—a tiny Arab state, a Jewish state in two parts, and three blocs under continuing British administration—would be infeasible. Moreover, they said, moves toward partition could cause a war. In 1947 the British referred the dispute to the United Nations. The Security Council opted for partition, with a special U.N. regime for Jerusalem and a continuing economic union for the whole of Palestine. The plan required Britain to undertake a substantial role in its implementation, but after the Ministry of Defence forecast that Britain's military presence would have to be reinforced in the wars that would follow, Britain

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announced that it would withdraw in May 1948. In April the Jewish Agency, which represented the Jewish community under the British mandate, announced that it would declare a Jewish state when the British withdrew. War broke out, resulting in a kind of skewed partition by which one new state was created but not the other. Subsequently there have been three Arab-Israeli wars, and the issue of territorial feasibility continues to dog the peace process.

In many ways Cyprus offers the most striking parallels to Bosnia, and its history again raises the question of whether a peaceful transition to partition is possible. Although the British proposed the partition of the island in a divide-and-rule move in 1956, they subsequently rejected the plan on the same grounds as in Palestine—infeasibility and the risk of conflict. The British-brokered constitution of 1960 that made Cyprus independent was an attempt to avert division of the island between ethnic Turks and ethnic Greeks, but the idea that ethnic politics could be contained by providing for ethnic representation at every level proved a failure. The constitutional creation of separate municipalities and a distribution between the two ethnic groups in the presidency, legislature, civil service, police, and army added communal (that is, interreligious) conflict to internecine conflict. In 1963 the "Green Line," the first partition boundary to be drawn, divided Greek and Turkish Cypriots in Nicosia, the capital. Ethnic conflict only intensified, and a Turkish Cypriot declaration of support for partition followed in 1964. Although U.N. troops arrived that year, tensions escalated, with a counter-declaration of unification by Greece and Cyprus in 1966, a military coup in Greece, renewed conflict in Cyprus, a Turkish Cypriot announcement in 1967 of a Provisional Administration, increasing Greek support for the radical Greek underground in Cyprus, and finally a Turkish invasion in 1974 that reinforced the de facto partition of the island. Thus it took 14 years to establish what continues to be a shaky partition of Cyprus.

FOMENTING CONFLICT

How successful have these partitions been at reducing conflict and permitting outside powers to end their involvement? It is not clear that the partitions of Ireland and Cyprus can be said to have worked, even in the lesser-evil sense. Although the former was a move to divide and

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quit—in which all sides accepted division as the price of self-determination—the British are embroiled in a military operation in Northern Ireland that continues 70 years later. The troop presence curtailed the toll that communal conflict might otherwise have taken; indeed, it could be argued that it contained the Irish conflict and kept deaths to a minimum. But it also brought the conflict to the heart of Britain as the IRA mounted terrorist attacks in London to increase pressure for a British withdrawal, and it could just as well be argued that from the British point of view independence would have been a more effective way to contain the conflict because it would have thrown the onus of peace onto the Irish; moreover, it might have encouraged regional compromises rather than a prolonged stalemate.

Attempts to make one ethnic group dominant in a territory risk further fragmentation.

The partition of Cyprus can only be described as a partition by default that the U.N. presence inadvertently aided. The conflict following independence in 1960 was compounded by the fact that Turkey, Greece, and Britain were appointed protecting powers by the constitution. The formal structure this gave to a wider engagement in the conflict drew both the Greek and Turkish armies in and permitted international acceptance of Turkey's invasion in 1974 and what was until then a de facto partition. While casualties have been restricted since then, the division of Cyprus is little more than a long standoff that remains volatile and continues to require the presence of U.N. troops. Nor can the conflict be confined to Cyprus. Over the 20 years since partition, its short fuse is evident. A violent demonstration by Cypriots in August 1996 resulted in Greece and Turkey threatening war. The costs of containment, therefore, include permanent vigilance on the part of NATO and the Atlantic allies.

In many ways, despite the violence and displacements it produced, India's was the most successful ethnic partition, both because it allowed the British to quit and because the conflicts that ensued were by and large contained. But this had less to do with the wisdom of ethnic separation than with other factors, among them the subcontinent's distance from Europe. Unlike Ireland, Cyprus, and Bosnia, the Indian subcontinent is so large that a dozen or more new states could

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have been created. The deployment of the ethnic two-nation theory, however, which holds that Hindus and Muslims could not live together, had a paradoxical effect—the new state created, Pakistan, was divided into two parts by roughly 2,000 miles of Indian territory. The subsequent separation of those parts points up the inadequacy of the principle of ethnic separation for effecting stable territories. In the late 1960s, resentment at West Pakistani political and economic dominance led to a regional Bengali movement for independence, a war between the two parts in which India intervened in support of the Bengalis, and the birth of Bangladesh in 1971.

In regions of multiple ethnicities—where, for example, the same individual might have loyalties to one community defined by its religion and another by its language—attempts to make one ethnic identity dominant can trigger further fragmentation and conflict. The temporary success of the Indian People's Party in whipping up Hindu nationalism during the destruction of the Babri mosque in Ayodhya and in the riots that followed in the winter of 1992-93 ultimately led to the party's isolation and failure to form a government after the 1996 elections. The case of Kashmir is more poignant. Since 1947, India and Pakistan have been embroiled in a conflict that has twice flared into war, over what has been described, in a phrase dear to politicians on both sides, as "the unfinished business of partition": Kashmir. On ethnic grounds it can be argued that the conflict has continued because India retained the Muslim-majority Kashmir Valley, which should have gone to Pakistan. But following ethnic dividing lines could well entail a further three-way partition of the state—the valley, Buddhist Ladakh, and multiethnic Jammu—which would not only set the stage for intensified conflict and ethnic cleansing, as much of Jammu lies between Pakistan and the valley, but would also dissolve Kashmir.

BALKAN BEDLAM

BOSNIA-HERZEGOVINA, like these other partitioned territories, has problems of dispersed populations and continuing fragmentation, which the Dayton agreement shows little promise of resolving. It is difficult to contain a conflict when partition is still in progress. Thus NATO and Implementation Force (IFOR) officials under its auspices in-

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creasingly worry that hasty implementation of civilian aspects of the agreement such as elections might renew the conflict; instead of reversing partition or facilitating its peaceful execution, the prelude to the elections brought renewed low-level conflict in August. To this extent the Bosnian elections are to the Dayton process what last year's Israeli elections were to the Palestinian peace process: they prove that partition is still incomplete on the ground. Nearly half the pre-1992 population of Bosnia is still living as refugees outside Bosnia. Ethnically homogeneous territories can be created only if the refugees are refused repatriation to the towns and villages from which they were driven, which puts pressure on their host countries not to enforce repatriation. The refugees have become a key constituency that is used both to further and to challenge the consolidation of such ethnic territories, as in the Serb efforts to force refugees to vote from towns other than their prewar residences, and the subsequent threat of Bosnian Muslims to boycott the elections.

If a two-way partition is acceptable, ask Croats in Herzegovina, why not a three-way one?

Both IFOR and the risibly named Office of the High Representative, which oversees the civilian implementation of Dayton under former Swedish Prime Minister Carl Bildt, make no secret of a concern the elections highlighted: the third partition that always hovered in Dayton's wings, between the Herzegovinian Croats and Bosnian Muslims now living together in the Bosnian Federation. Since the 1994 agreement signed in Washington that established the federation—which was intended to limit Bosnia's partition but produced a constitution remarkably similar to the 1960 Cyprus constitution—Herzegovinian Croats have asked: If a two-way partition is acceptable, why not a three-way one? Unsurprisingly, the answer, that Croatia has already been offered a far more substantial quid pro quo than Serbia and that a tiny and probably landlocked Muslim Bosnia would perpetuate Muslims' resentment, does not satisfy Herzegovinians. But Muslim resentment should at least give partition revivalists pause. Indeed, their argument that the United States should jettison the federation in favor of a tripartite partition begs both the resentment issue and a related matter Bosnian nationalists have raised: that they be

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given Serbia's predominantly Muslim Sandjak province as territorial compensation. Moreover, their argument ignores the problematic relationship between Croatian and Herzegovinian Croats, whose distrust of each other rivals that between Croats and Muslims.

NATO and IFOR have also pointed out an even more crucial concern: a partition dependent on the awkward boundary line between the Bosnian Federation and Republika Srpska, the Bosnian Serb entity, can last only so long as a large international force is there to enforce it. It is not Mostar in the federation but Banja Luka in the Serb entity that may bring the simmering partition war to a head. One look at the map of the Republika Srpska shows why. Like Pakistan after the partition of India, the Serb entity is divided into two parts, connected only by the narrow Posavina corridor, in which the disputed town of Brcko is key; Serb attempts to rig local elections there were a major factor in the postponement of municipal elections in Bosnia last year. Additionally, the two main parts of the Serb entity lean in opposite directions, Banja Luka toward Zagreb and the eastern strip toward Belgrade. Normalization would again pull Banja Luka toward Zagreb economically and diminish its links to the east. That might mean a further division of the Republika Srpska, rather like the division of Pakistan that created Bangladesh, in which the Serb republic would be reduced to a strip of eastern Bosnia. Banja Luka, therefore, must be forced to look eastward, and is—with tacit U.S. support, if Richard Holbrooke's recent suggestions that the Bosnian Serbs make Banja Luka their capital are anything to go by. But Banja Luka's isolation amid federation territory can be maintained only if Serb leaders keep the city in a state of anarchy and mafia rule, like Mostar. Banja Luka's location, however, makes this task much more difficult because Mostar, which remains integrated with Croatia despite being incorporated into the Bosnian Federation, is close to the Croatian border. It is debatable whether anything short of a fortified wall will keep Banja Luka isolated.

Thus, while elections may well be a step toward ratifying partition politically, efforts to consolidate a partition will not only perpetuate conflict but will eventually show that Bosnia can be successfully divided into two only if the Republika Srpska is further partitioned, with the western part reintegrated into Bosnia and the eastern part joining Serbia. Paradoxically, this may be the only way of ensuring a

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stable partition under the Dayton agreement, as the reintegration of Banja Luka will help keep the Croats in the federation. But if a multiethnic Bosnia can be re-created in one part, then why not in the whole, especially since a further partition will renew conflict around Goražde in eastern Bosnia?

ALL THE KING'S HORSES . . .

AS PRESSURE mounts to accept the September elections as a mandate for partition, more emphasis is being placed on the reintegration option of the Dayton agreement, which assumes that economic interests and the provisions for a common economic space will erode the partition lines by making them irrelevant. It is being argued that the partial partition the Dayton agreement partly accepts is only a means of buying time for Bosnia to undergo this process. Historically, however, the failure to inject substantial and timely aid has only hardened ethnic divisions.

Partition has rarely been seen as anything other than a temporary solution to a crisis, which can be reversed as the crisis recedes. However, ethnic partitions have never been reversed; their implementation has inexorably driven communities further apart. Sinn Fein's acquiescence to the partition of Ireland was on the condition that there be a referendum on unification; the referendum did not take place, and now that negotiations on the status of Northern Ireland have been revived, Sinn Fein faces the ironic possibility that Ireland may no longer want unification.

Ethnic partition can often hamper the development of postwar economies. Although economic cooperation could improve South Asia's economies enormously, the ongoing conflict between India and Pakistan over Kashmir has impeded attempts to build it. The Dayton agreement's hope that economic interests will militate against ethnic boundaries was also voiced in Ireland and Palestine. Irish nationalists and the U.N. mediators in Palestine both hoped that mutual dependence, geographic proximity, and the benefits of shared infrastructure would gradually dissipate the aftermath of ethnic partition. Indeed, the U.N. plan for the partition of Palestine was based explicitly on the premise that economic union would compensate for the difficulties of

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the proposed territories. Instead, partition's legacies thwarted economic union and kept both Ireland and what was left of Palestine in poverty.

If the lessons of these examples are noteworthy, it may be because Bosnia will constitute a turning point in partition theory. The fact that NATO is preparing for an extended presence indicates that the alliance recognizes the unlikely success of a divide and quit approach in this situation. Though divide and quit was a motive in Britain's support for partition in Ireland, Palestine, and India, it got Britain out quickly only in India, and that was because South Asia is distant from Britain. From the sequence of events in Bosnia, it is clear that European and American leaders, and the rest of the international community, were prepared to accept partition if it would curtail Western intervention in the conflict and limit Western involvement in the region. But as the partition process unfolds, it is being recognized that divide and quit might turn into divide and be forced to stay. Unlike Somalia or Rwanda, Bosnia is a high-profile intervention because the Balkans have played an important and generally unwelcome part in European security. So far, the West has not been able to walk away from this war, and each halfhearted intervention, however delusory, has led to more rather than less involvement. As the realization takes hold that a Bosnian partition may mean an indefinitely prolonged commitment to a chronically volatile region, investment in reintegration may be discovered to be an easier route to withdrawal.

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Can Russia Change?

David Remnick

THE DISAPPOINTMENT OF THE PRESENT

THERE WAS celebration in the State Department when Boris Yeltsin won re-election last July, but polls show that in Moscow and other Russian cities and towns there was no joy, only relief, a sense of having dodged a return to the past and the Communist Party. Political celebration, after all, usually welcomes a beginning, and the Yeltsin regime, everyone understood, was no beginning at all. Yeltsin had accomplished a great deal both as an outsider and as a president, but now, in his senescence, he represented the exhaustion of promise.

To prevail, Yeltsin had been willing to do anything, countenance anything, promise anything. Without regard for his collapsed budget, he doled out subsidies and election-year favors worth billions of dollars; he gave power to men he did not trust, like the maverick general Aleksandr Lebed; he was willing to hide from, and lie to, the press in the last weeks of the campaign, the better to obscure his serious illness.

Power in Russia is now adrift, unpredictable, and corrupt. Just three months after appointing Lebed head of the security council, Yeltsin fired him for repeated insubordination, instantly securing the general's position as martyr, peacemaker, and pretender to the presidency. On the night of his dismissal, Lebed giddily traipsed off to see a production of Aleksei Tolstoy's *Ivan the Terrible*. "I want to learn how to rule," he said.

In the new Russia, freedom has led to disappointment. If the triumph of 1991 seemed the triumph of liberal democrats unabashedly celebrating a market economy, human rights, and Western values,

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Yeltsin's victory in 1996 was distinguished by the rise of a new class of oligarchs. After the election, the bankers, media barons, and industrialists who had financed and in large measure run the campaign got the rewards they wanted: positions in the Kremlin, broadcasting and commercial licenses, and access to the national resource pile. Before 1991, these oligarchs had been involved mainly in fledgling small businesses—some legitimate, some not—and then, under the chaotic conditions of the post-Soviet world, they made their fortunes. Anatoly Chubais, who led Yeltsin's privatization and presidential campaigns, suddenly forgot his vow never to re-join the government and became chief of staff in the new administration, a position Yeltsin's bad health made all the mightier. Perhaps personifying the Kremlin's shamelessness, Chubais led the push to appoint one of the leading oligarchs, Boris Berezovsky, as deputy minister of security. The few Muscovites with enough patience left to care about Kremlin politics wondered what qualifications Berezovsky, who had made his fortune in the automobile business, brought to his new job.

Russia's new oligarchs see themselves as undeniably lucky, but worthy as well.

The new oligarchs, both within and outside the Kremlin, see themselves as undeniably lucky, but worthy as well. They righteously insist that their fortunes will spawn a middle class, property rights, and democratic values. No matter that the Kremlin lets them acquire an industrial giant like the Norilsk nickel works for a thief's price; they claim to be building a new Russia, and rationalize the rest. Mikhail Smolensky, who runs Moscow's powerful Stolichnii Bank from his offices in the restored mansion of a nineteenth-century merchant, told me, "Look, unfortunately, the only lawyer in this country is the Kalashnikov. People mostly solve their problems in this way. In this country there is no respect for the law, no culture of law, no judicial system—it's just being created." In the meantime, bribery greases the wheels of commerce. Government officials, who issue licenses and permissions of all sorts, "practically have a price list hanging on the office wall," Smolensky said.

The new oligarchs are humiliating to Russians, not because they are wealthy but because so little of their wealth finds its way back into

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the Russian economy. According to Interpol and the Russian Interior Ministry, rich Russians have sent more than $300 billion to foreign banks, and much of that capital leaves the country illegally and untaxed. Yeltsin's Kremlin capitalism has so far failed to create a nation of shopkeepers—the British middle-class model. It has, however, spawned hundreds of thousands of *chelnoki*, or shuttle traders, young people who travel to and from countries like China, Turkey, and the United Arab Emirates carrying all manner of goods for sale. This sort of trade is probably only a crude, transitional form of capitalism, but it is also uncontrolled, untaxed, and mafia-ridden.

Under Yeltsin, power at the Kremlin has become almost as remote from the people it is supposed to serve as it was under the last communist general secretaries. In its arrogance, in its refusals to answer questions from the press, Yeltsin's Kremlin seems to believe that its duty to observe democratic practices ended with the elections. The Russian people, understandably, believe the government has much to answer for. The poverty rate is soaring. Life expectancy for men is plunging. The murder rate is twice as high as it is in the United States and many times higher than in European capitals to the west. According to Russian government statistics, by late 1995, 8,000 criminal gangs were operating in the country—proportionately as many as in Italy. The fastest-growing service industry in Russia is personal security. Hundreds of thousands of men and women now work for private businesses as armed security guards. The police are too few, and usually too corrupt, to do the job.

Though far better than in Soviet times, the press is still not free. State television, which is largely owned by the new oligarchs, is extremely cautious, even sycophantic, when it comes to Yeltsin. After acting like cheerleaders during the election campaign, some newspapers and magazines have once again become aggressive and critical, even probing impolitely into the state of Yeltsin's health. An investigation by *Itogi,* a Moscow magazine, forced Yeltsin to go public with his heart ailments, which in turn led him to agree to quintuple-bypass surgery last November. But there is still no institution—not the press, not parliament, certainly not the weak judiciary—with the authority to keep the Kremlin honest.

One of the most troubling deficiencies in modern Russia is the absence of moral authority. The country lacks the kind of ethical

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compass it lost when Andrei Sakharov died in 1989. Human rights groups like Memorial, in the forefront of the democratic reform movement under Mikhail Gorbachev, are now marginal. If Sakharov had a leading protégé, it was Sergei Kovalyov, a biologist who spent many years in prison under Brezhnev and later helped lead the human rights movement. One of Yeltsin's most promising gestures was his appointment of Kovalyov as commissioner of human rights, and one of the most depressing events of his reign was Kovalyov's resignation when he recognized that he could not convince the government to end the war in Chechnya. Kovalyov is hardly a presence in public life these days—he appears more often in *The New York Review of Books* than in *Izvestia*—and no one seems to have replaced him. Even the most liberal journalists seem uninterested in Kovalyov or anyone of his ilk. After years of talking about ideas and ideals, they are cynical, intent only on discussing economic interests; the worst sin is to seem naive, woolly, bookish—or hopeful.

"The quality of democracy depends heavily on the quality of the democrats," Kovalyov told me after the elections. "We have to wait for a critical mass of people with democratic principles to accumulate. It's like a nuclear explosion: the critical mass has to accrue. Without this, everything will be like it is now, always in fits and starts. Our era of romantic democracy is long over. We have finally fallen to earth."

THE DAMAGE OF RUSSIAN HISTORY

WHEN AND HOW will that critical mass accumulate? Russia should not be mistaken for a democratic state. Rather, it is a nascent state with some features of democracy and, alas, many features of oligarchy and authoritarianism. When and how will a more complete transformation of its political culture occur? Is Russia capable of building a stable democratic state, or is it forever doomed to follow a historical pattern in which long stretches of absolutism are briefly interrupted by fleeting periods of reform?

First, it pays to review the legacy—the damage—of history. Russia seems at times to have been organized to maximize the isolation of the people and, in modern times, to prevent the possibility of democratic capitalism. For example, the Russian Orthodox Church, for centuries

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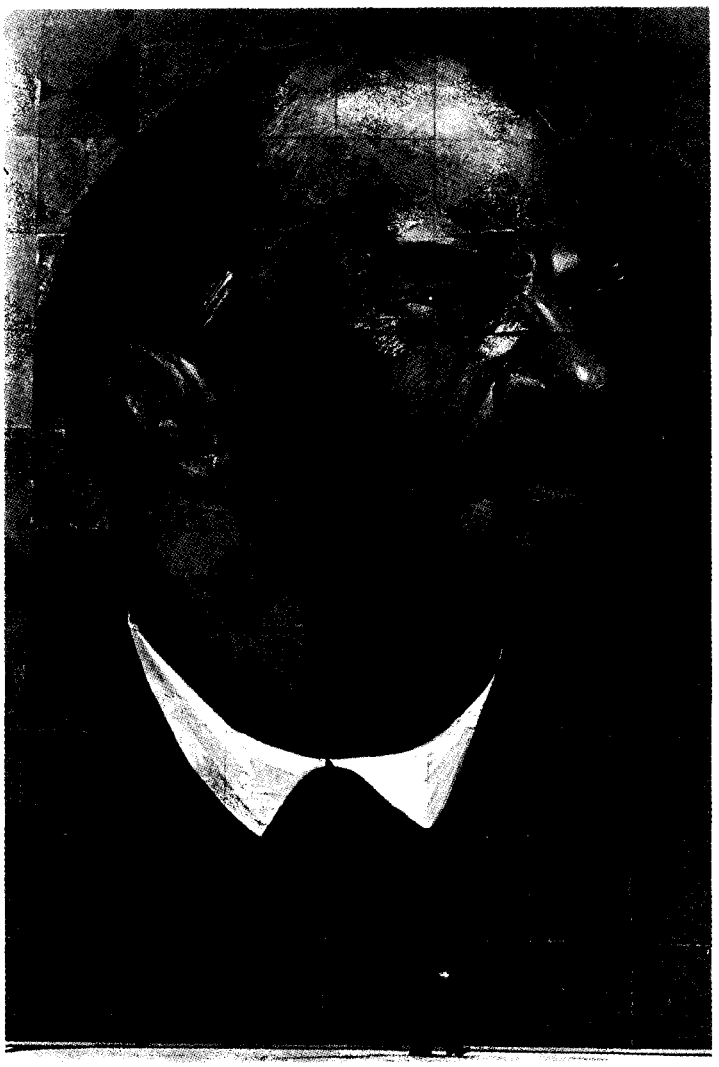

MAGNUM PHOTOS

Facing the past

the dominant institution in Russian life, was by nature deeply suspicious of, even hostile to, the outside world. After the fall of Constantinople in 1453, the church distanced itself from transnational creeds like Protestantism, Catholicism, Judaism, and Buddhism. Xenophobia pervaded both church and state. During the Soviet regime that xenophobia only intensified. Under the banner of communist internationalism, the Bolsheviks successfully kept the world at bay until the glasnost policy was instituted in the late 1980s.

Russian absolutism has proved unique in its endurance and intensity. In many regards the authority of the tsars exceeded that of

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nearly all other European monarchs. As Richard Pipes points out in the June 1996 *Commentary*,

> throughout Europe, even in countries living under absolutist regimes, it was considered a truism that kings ruled but did not own: a popular formula taken from the Roman philosopher Seneca that "unto kings belongs the power of all things and unto individual men, property." Violations of the principle were perceived as a hallmark of tyranny. This whole complex of ideas was foreign to Russia. The Muscovite crown treated the entire realm as its property and all secular landowners as the tsar's tenants-in-chief, who held their estate at his mercy on the condition of faithful service.

Tsarist absolutism was far more severe than the English variety because of its greater control of property. With the rise of the Bolshevik regime, property became, in the theoretical jargon of the period, the property of all, but in practice it remained the property of the sovereign—the Communist Party and its general secretary. And the communists were even less inclined to develop a culture of legality—of property rights, human rights, and independent courts—than the last of the Romanovs had been.

Likewise, under both the tsars and general secretaries, the government had only, in Gorbachev's rueful phrase, "the legitimacy of the bayonet." Violence and the threat of violence characterized nearly all of Russian political history. The two great breakthroughs—the fall of Nicholas II in February 1917 and the fall of Gorbachev as Communist Party leader in August 1991—came only after it was clear that both figures would refuse, or were incapable of, the slaughter necessary to prolong their regimes. Many Russian intellectuals today, including gulag survivors like the writer Lev Razgon, believe that the communist regime's policy of forced exile, imprisonment, and execution exacted a demographic, even genetic, toll on the Russian people's inherent capacity to create a democratic critical mass. "When one begins to tally up the millions of men and women, the best and the brightest of their day, who were killed or forced out of the country, then one begins to calculate how much moral and intellectual capacity we lost," Razgon told me. "Think of how many voices of understanding we lost, think of how many independent-minded people we lost, and how those voices were kept from the ears of Soviet citizens. Yes, I am furious beyond words

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at Yeltsin for the war in Chechnya and for other mistakes. But we have to look at our capacities, the injuries this people has absorbed over time."

Finally, Russia will have to alter its intellectual approach to political life. Even though Gennady Zyuganov failed to carry the elections last year with his nationalist-Bolshevik ideology, he proved that maximalist ideas still resonate among a certain segment of the population. In 1957 Isaiah Berlin, writing in the October issue of *Foreign Affairs*, accurately described the traditional Russian yearning for all-embracing ideologies rooted in the anti-intellectual and eschatological style of the Russian Orthodox Church. As Berlin pointed out, the Russian revolutionaries of the nineteenth and twentieth centuries were obsessed not with liberal ideas, much less political and intellectual pluralism, but were instead given to a systemic cast of mind—and in the most extreme ways. They first absorbed German historicism in its Hegelian form, in which history obeyed scientific laws leading it in a determinate direction, and then the utopian prophecies of Saint-Simon and Fourier:

> Unlike the West, where such systems often languished and declined amid cynical indifference, in the Russian Empire they became fighting faiths, thriving on the opposition to them of contrary ideologies—mystical monarchism, Slavophile nostalgia, clericalism, and the like; and under absolutism, where ideas and daydreams are liable to become substitutes for action, ballooned out into fantastic shapes, dominating the lives of their devotees to a degree scarcely known elsewhere. To turn history or logic or one of the natural sciences—biology or sociology—into a theodicy; to seek, and affect to find, within them solutions to agonizing moral or religious doubts and perplexities; to transform them into secular theologies—all that is nothing new in human history. But the Russians indulged in this process on a heroic and desperate scale, and in the course of it brought forth what today is called the attitude of total commitment, at least of its modern form.

By the end of the process, Russian intellectuals—not least Lenin himself—derided the weakness, the unsystematic approach, of Western liberalism. For Lenin, Marxism provided a scientific explanation for human behavior. All he needed was the technological means of altering that behavior.

But while the Russian and Soviet leadership have been xenophobic, absolutist, violent, and extremist, there have always been signs of what

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the scholar Nicolai Petro, in his 1995 book *The Rebirth of Russian Democracy,* calls an "alternative political culture." If Russians today were to attempt to create a modern state purely from foreign models and experience, if there was nothing in Russian history to learn from, rely on, or take pride in, one could hardly expect much. But that is not the case. Perhaps Russia cannot rely, as the Founding Fathers did, on a legacy like English constitutionalism, but the soil of Russian history is still far from barren.

Even the briefest survey of alternative currents in Russian history must take note of the resistance to absolutism under Peter I and Catherine the Great or, in the nineteenth century, the Decembrist revolt against Nicholas I. While Nicholas was able to crush the Decembrists, their demands for greater civil and political authority did not fade; in fact, their demands became the banner of rebellion that persisted, in various forms and movements, until the February revolution of 1917. Alexander II's decree abolishing serfdom was followed by the establishment of local governing boards, or *zemstvos*, and out of that form of limited grassroots politics came more pressure on the tsar. In May 1905, after a long series of strikes, the Third Zemstvo Congress appealed to the tsar for a transition to constitutional government, and the tsar soon issued an edict accepting constitutional monarchy. The constitution published in 1906 guaranteed the inviolability of person, residence, and property, the right of assembly, freedom of religion, and freedom of the press—so long as the press was not criticizing the tsar.

Yeltsin's government has deliberately revived a sense of possibility from the past.

Under Soviet rule, the Communist Party was far quicker to suppress signs of an alternative political culture than Nicholas II had been, but expressions of resistance and creativity endured. Under Khrushchev, in the thaw years, a few artists and journalists began to reveal the alternative intellectual and artistic currents flowing under the thick ice of official culture, and beginning in the late 1960s one began to see the varied currents of political dissent: Sakharov and the Western-oriented human rights movement; "reform" socialists like Roy Medvedev; religious dissidents like Aleksandr Men

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and Gleb Yakunin, both Russian Orthodox priests; and traditionalist neo-Slavophile dissidents like Solzhenitsyn and the authors of *From Under the Rubble*.

Yeltsin's government has not been especially successful in articulating the nature of the new Russian state. But, however formless, the new state has made a series of symbolic overtures. By adopting the prerevolutionary tricolor and double-headed eagle as national emblems, the government has deliberately reached back to revive a sense of possibility from the past. Similarly, the mayor of Moscow, Yuri Luzhkov, has had restored and rebuilt dozens of churches and monuments destroyed during the Soviet period, including the enormous Cathedral of Christ the Savior on the banks of the Moscow River. There is also a revived interest in Ivan Ilyin, Nikolai Berdyayev, and other émigré philosophers who tried to describe Russian political and spiritual values. Academics are struggling to write new textbooks. Religious leaders are coping with the revival of the Russian Orthodox Church among a people with little religious education and only a sentimental attachment to their faith. These outcroppings are not mere kitsch or intellectual fashions but an attempt to reconnect Russians to their own history and the notion of national development that was shattered with the Bolshevik coup of 1917.

THE PROMISE OF RUSSIAN LIFE

ALTHOUGH DAILY life in Russia suffers from a painful economic, political, and social transition, the prospect over the coming years and decades is more promising than ever before. As former Deputy Prime Minister Yegor Gaidar has said, "Russia today is not a bad subject for long-term prognostication, and a very inappropriate subject for short-term analysis." There seems no reason why Russia cannot break with its absolutist past in much the way that Germany and Japan did after World War II.

Since the late 1980s, Russia has come a long way in this direction. The decades of confrontation with the West are over. Russia has withdrawn its talons, and except for the need to vent some nationalist rhetoric once in a great while, it offers little threat to the world. For all the handwringing by Henry Kissinger and other Russophobes, there

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BLACK STAR

Do they have the right change?
St. Petersburg, 1994

is no imminent threat of renewed imperialism, even within the borders of the old Soviet Union. The danger of conflict between Russia and Ukraine over the Crimea or between Russia and Kazakstan over northern Kazakstan has greatly diminished in the last few years. After centuries of isolation, Russia seems ready to live not merely with the world but in it. The peril it poses is less a deliberate military threat than chaos and random events like the theft of "loose nukes." Russians are free to travel. They are free to consume as much foreign journalism, intellectual history, and popular culture as they desire. The authorities encourage foreign influence and business: more than 200,000 foreign citizens reside in Moscow, many times the number before 1990. Communication with the outside world is limited only by Russia's dismal international telephone system, and scholars and businesspeople have finessed that limitation with personal computers and electronic mail, which are rapidly becoming more widely available.

In the short term, most Russians cannot hope for much, especially from their politicians. If after his surgery Yeltsin's health does not improve dramatically, there will likely be an atmosphere of permanent crisis in Moscow. "I lived through the last days of Brezhnev, Andropov, and Chernenko, and I know how illness in power leads to danger," Mikhail Gorbachev told me shortly after the recent elections. "We survived back then thanks only to the inertia of the Soviet system. But Russia needs dynamic people in office and now, well . . ." Gorbachev has never been charitable to Yeltsin (nor Yeltsin, Gorbachev), but he was right.

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The most important figures in the government will be Yeltsin's chief of staff, Chubais, the prime minister, Viktor Chernomyrdin, and Yeltsin's daughter, Tatyana Dyachenko. Such a government is likely to uphold a more or less friendly relationship with Washington and the West and to preside over a semicapitalist, semioligarchic economy. But unless the government begins to fight corruption, create a legal order, and strengthen the court system, the state will continue to be compared with the Latin American countries and the South Korea of the 1970s.

If Yeltsin dies sooner rather than later, his circle will either follow the letter of the constitution and hold presidential elections after three months, or it will find an excuse to avoid them. The latter choice would go a long way toward negating the limited progress made since 1991. Russia has yet to prove it can undergo a peaceful and orderly transfer of power—one of the most crucial tests in the development of a democracy. If the government does go forward with elections, the likely combatants would include Chernomyrdin, Luzhkov, Lebed, and Zyuganov.

Russia has yet to prove it can undergo a peaceful and orderly transfer of power.

Lebed's popularity is the highest of the four, but what kind of man he is and what sort of president he would be is unknown. He is considered flexible and educable by many Western visitors, but his is a flexibility born mainly of ignorance. Lebed is a military man, but unlike Colin Powell or Dwight Eisenhower—to say nothing of his hero, Charles de Gaulle—he has hardly any experience beyond the military. Lebed must be given credit for signing a peace treaty with the Chechens during his short tenure as security minister. He is also, by most accounts, a decent and honest man, which sets him apart from most who have set foot in the Kremlin. But he has displayed a willful, even outrageous, disregard for the president he was ostensibly serving. Aleksandr Lebed's first priority, so far, appears to be Aleksandr Lebed. It is discouraging that the most visible political alliance he formed after leaving the Kremlin was with Aleksandr Korzhakov, Yeltsin's crony and bodyguard before he was bounced from the government during the campaign. Korzhakov, for his part, has landed easily on his feet; he has decided to run for parliament from Lebed's home district, Tula,

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and should any of his old rivals threaten him, he has promised to release "incriminating evidence" against Yeltsin and his aides.

Lebed's potential rivals are more fixed in their views and political behavior, but they are not a promising lot. Zyuganov still has supporters, especially in the oldest and poorest sectors of the population, but he has little or no chance to win if he repeats the tactics and rhetoric of 1996. The communists would do well to jettison any traces of the past and adopt, as some are proposing, a new name for the party and younger faces to run it. A party of social democrats is inevitable in Russia, but not under Zyuganov.

Chernomyrdin represents a longed-for predictability abroad, but to Russians he represents the worst of Yeltsin's government: corruption, privilege, and an almost delusional disregard for the public. Chernomyrdin is also singularly inarticulate. The only way he could win the presidency would be to exploit the resources of the Kremlin and gain the support of the media to an even greater degree than Yeltsin did in 1996. As mayor, Luzhkov is extremely popular in Moscow—a kind of Russian Richard Daley—but he would have to cope with the traditional Russian tendency to be suspicious of political figures from the capital.

At this writing, the Kremlin depends on the heart tissue of one man and the conflicting economic and political interests of his would-be inheritors.

But not all depends on Yeltsin, or on Moscow. Russia is a far less centralized country than the Soviet Union was, for while Moscovite political life is rife with intrigue and gives off the whiff of authoritarian arrogance, it is also relatively weak. In Soviet times, regional party leaders looked to Moscow as if to Mecca. Now one decree after another is issued, but local authorities adopt what they like and ignore the rest. Development and progress are wildly different in the country's 89 regions, and much depends on the local political map. Beyond Moscow, in the most encouraging region, centered around Nizhny Novgorod, young, progressive politicians like Mayor Boris Nemtsov have made good on their promises to create "capitalism in one country." One of the biggest problems with the Soviet economy was its heavy militarization; Nizhny Novgorod, the third-largest city in the country, was one of the most militarized. Yet not only has the city managed, by privatizatizing, breaking up monopolies, and issuing bonds, to create thriving

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service and manufacturing sectors, it has also converted 90 percent of its collective farms to private ownership. Meanwhile, 500 miles down the Volga River, the communist-run city government of Ulyanovsk, Lenin's hometown, has refused to participate in radical reform. Ulyanovsk's economy is a shambles. Unfortunately, too many Russian cities have followed the path of Ulyanovsk rather than Nizhny Novgorod.

Not all regions, however, can thrive simply by adopting the market reforms of Nizhny Novgorod. The coal-mining regions of western Siberia will continue to suffer for the same reasons the miners of many other countries have suffered: the mines are nearly exhausted and no alternative industry has developed. Most farming regions have resisted the difficult transformation to private enterprise, largely because of the vast amounts of capital needed for modern equipment and the inevitable reductions in the work force privatization entails. Agricultural areas like the Kuban or Gorbachev's home region of Stavropol have only suffered since 1991.

The rosy predictions for China and uniformly gloomy ones for Russia are hard to justify.

The mafia and tough moral questions also play a local role in deciding how or whether reform occurs. The mobster Vladimir "The Poodle" Podiatev controls the city of Khabarovsk to the extent that he has his own political party and television station. Chechnya will continue to gnaw at the attention, if not the conscience, of Moscow. Grozny, Chechnya's capital city, is in ruins, and the local authorities consider themselves victors; the rule of Islam, not the rule of Moscow, now prevails.

When describing Russia's situation and the country's prospects, analysts tend to grope for analogies with other countries and eras. The rise of oligarchy summons up Argentina, the power vacuum evokes Weimar Germany, the dominance of the mafia hints at postwar Italy, and the presidential constitution recalls de Gaulle's France of 1958. But while Russia's problems alarm the world on occasion, none of these analogies takes into account the country's possibilities.

Since 1991 Russia has broken dramatically with its absolutist past. The almost uniformly rosy predictions for China and the almost uniformly gloomy ones for Russia are hard to justify. Political reform is

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not the only advantage Russia has. Unlike China, where rural poverty and illiteracy still predominate, Russia is an increasingly urban nation with a literacy rate of 99 percent. Nearly 80 percent of the Russian economy is in private hands. Inflation, a feature of all formerly communist countries, dropped from a runaway 2,500 percent in 1992 to 130 percent in 1995. Russia's natural resources are unparalleled. In their perceptive 1996 book, *The Coming Russian Boom*, Richard Layard of the London School of Economics and John Parker, a former Moscow correspondent for *The Economist*, arm themselves with an array of impressive statistics allowing them to predict that by the year 2020 Russia "may well have outstripped countries like Poland, Hungary, Brazil and Mexico with China far behind."

Not least in Russia's list of advantages is that its citizens show every indication of refusing a return to the maximalism of communism or the xenophobia of hard-line nationalism. The idea of Russia's separate path of development is increasingly a losing proposition for communists and nationalists alike. The highly vulgarized versions of a national idea—Zyuganov's "National Bolshevism" or the various anti-Semitic, anti-Western platforms of figures like the extremist newspaper editor Aleksandr Prokhanov—have repelled most Russian voters, no matter how disappointed they are with Yeltsin. Anti-Semitism, for example, has no great political attraction, as many feared it would; even Lebed, who has his moments of nationalist resentment, has felt it necessary to apologize after making bigoted comments. He will not win as an extremist. Rather, he appeals to popular disgust with the corruption, violence, and general lack of integrity of the Yeltsin government.

Perhaps it is a legacy of the Cold War that so many American observers demand so much so soon from Russia. Russia is no longer an enemy or anything resembling one, yet Americans demand to know why, for example, there are no developed political parties in Russia, somehow failing to remember that it took the United States—with all its historical advantages, including its enlightened founders—more than 60 years of independence to develop its two-party system, or that in France nearly all the parties have been vehicles for such less than flawless characters as François Mitterrand and Jacques Chirac. The drama of 1991 so accelerated Western notions

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of Russian history that our expectations became outlandish. Now that many of those expectations have been disappointed, deferred, and even betrayed, it seems we have gone back to expecting only the worst from Russia.

The most famous of all nineteenth-century visitors to Russia, the Marquis de Custine, ended his trip and his narrative by writing, "One needs to have lived in that solitude without tranquillity, that prison without leisure that is called Russia, to appreciate all the freedom enjoyed in other European countries, no matter what form of government thay have chosen . . . It is always good to know that there exists a society in which no happiness is possible, because, by reason of his nature, man cannot be happy unless he is free." But that has changed. A new era has begun. Russia has entered the world, and everything, even freedom, even happiness, is possible.

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Power Shift

Jessica T. Mathews

THE RISE OF GLOBAL CIVIL SOCIETY

THE END of the Cold War has brought no mere adjustment among states but a novel redistribution of power among states, markets, and civil society. National governments are not simply losing autonomy in a globalizing economy. They are sharing powers—including political, social, and security roles at the core of sovereignty—with businesses, with international organizations, and with a multitude of citizens groups, known as nongovernmental organizations (NGOs). The steady concentration of power in the hands of states that began in 1648 with the Peace of Westphalia is over, at least for a while.[1]

The absolutes of the Westphalian system—territorially fixed states where everything of value lies within some state's borders; a single, secular authority governing each territory and representing it outside its borders; and no authority above states—are all dissolving. Increasingly, resources and threats that matter, including money, information, pollution, and popular culture, circulate and shape lives and economies with little regard for political boundaries. International standards of conduct are gradually beginning to override claims of national or regional singularity. Even the most powerful states find the marketplace and international public opinion compelling them more often to follow a particular course.

The state's central task of assuring security is the least affected, but still not exempt. War will not disappear, but with the shrinkage of U.S. and Russian nuclear arsenals, the transformation of the

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Nuclear Nonproliferation Treaty into a permanent covenant in 1995, agreement on the long-sought Comprehensive Test Ban treaty in 1996, and the likely entry into force of the Chemical Weapons Convention in 1997, the security threat to states from other states is on a downward course. Nontraditional threats, however, are rising—terrorism, organized crime, drug trafficking, ethnic conflict, and the combination of rapid population growth, environmental decline, and poverty that breeds economic stagnation, political instability, and, sometimes, state collapse. The nearly 100 armed conflicts since the end of the Cold War have virtually all been intrastate affairs. Many began with governments acting against their own citizens, through extreme corruption, violence, incompetence, or complete breakdown, as in Somalia.

These trends have fed a growing sense that individuals' security may not in fact reliably derive from their nation's security. A competing notion of "human security" is creeping around the edges of official thinking, suggesting that security be viewed as emerging from the conditions of daily life—food, shelter, employment, health, public safety—rather than flowing downward from a country's foreign relations and military strength.

The most powerful engine of change in the relative decline of states and the rise of nonstate actors is the computer and telecommunications revolution, whose deep political and social consequences have been almost completely ignored. Widely accessible and affordable technology has broken governments' monopoly on the collection and management of large amounts of information and deprived governments of the deference they enjoyed because of it. In every sphere of activity, instantaneous access to information and the ability to put it to use multiplies the number of players who matter and reduces the number who command great authority. The effect on the loudest voice—which has been government's—has been the greatest.

By drastically reducing the importance of proximity, the new technologies change people's perceptions of community. Fax machines,

[1]The author would like to acknowledge the contributions of the authors of ten case studies for the Council on Foreign Relations study group, "Sovereignty, Nonstate Actors, and a New World Politics," on which this article is based.

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satellite hookups, and the Internet connect people across borders with exponentially growing ease while separating them from natural and historical associations within nations. In this sense a powerful globalizing force, they can also have the opposite effect, amplifying political and social fragmentation by enabling more and more identities and interests scattered around the globe to coalesce and thrive.

These technologies have the potential to divide society along new lines, separating ordinary people from elites with the wealth and education to command technology's power. Those elites are not only the rich but also citizens groups with transnational interests and identities that frequently have more in common with counterparts in other countries, whether industrialized or developing, than with countrymen.

Above all, the information technologies disrupt hierarchies, spreading power among more people and groups. In drastically lowering the costs of communication, consultation, and coordination, they favor decentralized networks over other modes of organization. In a network, individuals or groups link for joint action without building a physical or formal institutional presence. Networks have no person at the top and no center. Instead, they have multiple nodes where collections of individuals or groups interact for different purposes. Businesses, citizens organizations, ethnic groups, and crime cartels have all readily adopted the network model. Governments, on the other hand, are quintessential hierarchies, wedded to an organizational form incompatible with all that the new technologies make possible.

Today's powerful nonstate actors are not without precedent. The British East India Company ran a subcontinent, and a few influential NGOs go back more than a century. But these are exceptions. Both in numbers and in impact, nonstate actors have never before approached their current strength. And a still larger role likely lies ahead.

DIAL LOCALLY, ACT GLOBALLY

No one knows how many NGOs there are or how fast the tally is growing. Published figures are badly misleading. One widely cited estimate claims there are 35,000 NGOs in the developing countries;

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New from Oxford

NEHRU
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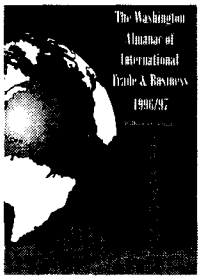

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another points to 12,000 irrigation cooperatives in South Asia alone. In fact, it is impossible to measure a swiftly growing universe that includes neighborhood, professional, service, and advocacy groups, both secular and church-based, promoting every conceivable cause and funded by donations, fees, foundations, governments, international oganizations, or the sale of products and services. The true number is certainly in the millions, from the tiniest village association to influential but modestly funded international groups like Amnesty International to larger global activist organizations like Greenpeace and giant service providers like CARE, which has an annual budget of nearly $400 million.

NGOs are able to push around even the largest governments.

Except in China, Japan, the Middle East, and a few other places where culture or authoritarian governments severely limit civil society, NGOs' role and influence have exploded in the last half-decade. Their financial resources and—often more important—their expertise, approximate and sometimes exceed those of smaller governments and of international organizations. "We have less money and fewer resources than Amnesty International, and we are the arm of the U.N. for human rights," noted Ibrahima Fall, head of the U.N. Centre for Human Rights, in 1993. "This is clearly ridiculous." Today NGOs deliver more official development assistance than the entire U.N. system (excluding the World Bank and the International Monetary Fund). In many countries they are delivering the services—in urban and rural community development, education, and health care—that faltering governments can no longer manage.

The range of these groups' work is almost as broad as their interests. They breed new ideas; advocate, protest, and mobilize public support; do legal, scientific, technical, and policy analysis; provide services; shape, implement, monitor, and enforce national and international commitments; and change institutions and norms.

Increasingly, NGOs are able to push around even the largest governments. When the United States and Mexico set out to reach a trade agreement, the two governments planned on the usual narrowly defined negotiations behind closed doors. But NGOs had a

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very different vision. Groups from Canada, the United States, and Mexico wanted to see provisions in the North American Free Trade Agreement on health and safety, transboundary pollution, consumer protection, immigration, labor mobility, child labor, sustainable agriculture, social charters, and debt relief. Coalitions of NGOs formed in each country and across both borders. The opposition they generated in early 1991 endangered congressional approval of the crucial "fast track" negotiating authority for the U.S. government. After months of resistance, the Bush administration capitulated, opening the agreement to environmental and labor concerns. Although progress in other trade venues will be slow, the tightly closed world of trade negotiations has been changed forever.

Technology is fundamental to NGOs' new clout. The nonprofit Association for Progressive Communications provides 50,000 NGOs in 133 countries access to the tens of millions of Internet users for the price of a local call. The dramatically lower costs of international communication have altered NGOs' goals and changed international outcomes. Within hours of the first gunshots of the Chiapas rebellion in southern Mexico in January 1994, for example, the Internet swarmed with messages from human rights activists. The worldwide media attention they and their groups focused on Chiapas, along with the influx of rights activists to the area, sharply limited the Mexican government's response. What in other times would have been a bloody insurgency turned out to be a largely nonviolent conflict. "The shots lasted ten days," José Angel Gurría, Mexico's foreign minister, later remarked, "and ever since, the war has been . . . a war on the Internet."

NGOs' easy reach behind other states' borders forces governments to consider domestic public opinion in countries with which they are dealing, even on matters that governments have traditionally handled strictly between themselves. At the same time, cross-border NGO networks offer citizens groups unprecedented channels of influence. Women's and human rights groups in many developing countries have linked up with more experienced, better funded, and more powerful groups in Europe and the United States. The latter work the global media and lobby their own governments to pressure leaders in developing countries, creating a circle of influence that is accelerating change in many parts of the world.

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OUT OF THE HALLWAY, AROUND THE TABLE

IN INTERNATIONAL organizations, as with governments at home, NGOs were once largely relegated to the hallways. Even when they were able to shape governments' agendas, as the Helsinki Watch human rights groups did in the Conference on Security and Cooperation in Europe in the 1980s, their influence was largely determined by how receptive their own government's delegation happened to be. Their only option was to work through governments.

All that changed with the negotiation of the global climate treaty, culminating at the Earth Summit in Rio de Janeiro in 1992. With the broader independent base of public support that environmental groups command, NGOs set the original goal of negotiating an agreement to control greenhouse gases long before governments were ready to do so, proposed most of its structure and content, and lobbied and mobilized public pressure to force through a pact that virtually no one else thought possible when the talks began.

More members of NGOs served on government delegations than ever before, and they penetrated deeply into official decision-making. They were allowed to attend the small working group meetings where the real decisions in international negotiations are made. The tiny nation of Vanuatu turned its delegation over to an NGO with expertise in international law (a group based in London and funded by an American foundation), thereby making itself and the other sea-level island states major players in the fight to control global warming. *ECO*, an NGO-published daily newspaper, was negotiators' best source of information on the progress of the official talks and became the forum where governments tested ideas for breaking deadlocks.

Whether from developing or developed countries, NGOs were tightly organized in a global and half a dozen regional Climate Action Networks, which were able to bridge North-South differences among governments that many had expected would prevent an agreement. United in their passionate pursuit of a treaty, NGOs would fight out contentious issues among themselves, then take an agreed position to their respective delegations. When they could not agree, NGOs served as invaluable back channels, letting both sides know where the other's problems lay or where a compromise might be found.

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As a result, delegates completed the framework of a global climate accord in the blink of a diplomat's eye—16 months—over the opposition of the three energy superpowers, the United States, Russia, and Saudi Arabia. The treaty entered into force in record time just two years later. Although only a framework accord whose binding requirements are still to be negotiated, the treaty could force sweeping changes in energy use, with potentially enormous implications for every economy.

The influence of NGOs at the climate talks has not yet been matched in any other arena, and indeed has provoked a backlash among some governments. A handful of authoritarian regimes, most notably China, led the charge, but many others share their unease about the role NGOs are assuming. Nevertheless, NGOs have worked their way into the heart of international negotiations and into the day-to-day operations of international organizations, bringing new priorities, demands for procedures that give a voice to groups outside government, and new standards of accountability.

ONE WORLD BUSINESS

THE MULTINATIONAL corporations of the 1960s were virtually all American, and prided themselves on their insularity. Foreigners might run subsidiaries, but they were never partners. A foreign posting was a setback for a rising executive.

Today, a global marketplace is developing for retail sales as well as manufacturing. Law, advertising, business consulting, and financial and other services are also marketed internationally. Firms of all nationalities attempt to look and act like locals wherever they operate. Foreign language skills and lengthy experience abroad are an asset, and increasingly a requirement, for top management. Sometimes corporate headquarters are not even in a company's home country.

Amid shifting alliances and joint ventures, made possible by computers and advanced communications, nationalities blur. Offshore banking encourages widespread evasion of national taxes. Whereas the fear in the 1970s was that multinationals would become an arm of government, the concern now is that they are disconnecting from their home countries' national interests, moving jobs, evading taxes, and eroding economic sovereignty in the process.

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The even more rapid globalization of financial markets has left governments far behind. Where governments once set foreign exchange rates, private currency traders, accountable only to their bottom line, now trade $1.3 trillion a day, 100 times the volume of world trade. The amount exceeds the total foreign exchange reserves of all governments, and is more than even an alliance of strong states can buck.

Despite the enormous attention given to governments' conflicts over trade rules, private capital flows have been growing twice as fast as trade for years. International portfolio transactions by U.S. investors, 9 percent of U.S. GDP in 1980, had grown to 135 percent of GDP by 1993. Growth in Germany, Britain, and elsewhere has been even more rapid. Direct investment has surged as well. All in all, the global financial market will grow to a staggering $83 trillion by 2000, a 1994 McKinsey & Co. study estimated, triple the aggregate GDP of the affluent nations of the Organization for Economic Cooperation and Development.

Nowadays governments have only the appearance of free choice when they set out to make rules.

Again, technology has been a driving force, shifting financial clout from states to the market with its offer of unprecedented speed in transactions—states cannot match market reaction times measured in seconds—and its dissemination of financial information to a broad range of players. States could choose whether they would belong to rule-based economic systems like the gold standard, but, as former Citicorp chairman Walter Wriston has pointed out, they cannot withdraw from the technology-based marketplace, unless they seek autarky and poverty.

More and more frequently today, governments have only the appearance of free choice when they set economic rules. Markets are setting de facto rules enforced by their own power. States can flout them, but the penalties are severe—loss of vital foreign capital, foreign technology, and domestic jobs. Even the most powerful economy must pay heed. The U.S. government could choose to rescue the Mexican peso in 1994, for example, but it had to do so on terms designed to satisfy the bond markets, not the countries doing the rescuing.

The forces shaping the legitimate global economy are also nourishing globally integrated crime—which U.N. officials peg at a staggering $750 billion a year, $400 billion to $500 billion of that in

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narcotics, according to U.S. Drug Enforcement Agency estimates. Huge increases in the volume of goods and people crossing borders and competitive pressures to speed the flow of trade by easing inspections and reducing paperwork make it easier to hide contraband. Deregulation and privatization of government-owned businesses, modern communications, rapidly shifting commercial alliances, and the emergence of global financial systems have all helped transform local drug operations into global enterprises. The largely unregulated multitrillion-dollar pool of money in supranational cyberspace, accessible by computer 24 hours a day, eases the drug trade's toughest problem: transforming huge sums of hot cash into investments in legitimate business.

Globalized crime is a security threat that neither police nor the military—the state's traditional responses—can meet. Controlling it will require states to pool their efforts and to establish unprecedented cooperation with the private sector, thereby compromising two cherished sovereign roles. If states fail, if criminal groups can continue to take advantage of porous borders and transnational financial spaces while governments are limited to acting within their own territory, crime will have the winning edge.

BORN-AGAIN INSTITUTIONS

UNTIL RECENTLY, international organizations were institutions of, by, and for nation-states. Now they are building constituencies of their own and, through NGOs, establishing direct connections to the peoples of the world. The shift is infusing them with new life and influence, but it is also creating tensions.

States feel they need more capable international organizations to deal with a lengthening list of transnational challenges, but at the same time fear competitors. Thus they vote for new forms of international intervention while reasserting sovereignty's first principle: no interference in the domestic affairs of states. They hand international organizations sweeping new responsibilities and then rein them in with circumscribed mandates or inadequate funding. With states ambivalent about intervention, a host of new problems demanding attention, and NGOs bursting with energy, ideas, and calls for a larger role, international organizations are lurching toward an unpredictable, but certainly different, future.

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International organizations are still coming to terms with unprecedented growth in the volume of international problem-solving. Between 1972 and 1992 the number of environmental treaties rocketed from a few dozen to more than 900. While collaboration in other fields is not growing at quite that rate, treaties, regimes, and intergovernmental institutions dealing with human rights, trade, narcotics, corruption, crime, refugees, antiterrorism measures, arms control, and democracy are multiplying. "Soft law" in the form of guidelines, recommended practices, nonbinding resolutions, and the like is also rapidly expanding. Behind each new agreement are scientists and lawyers who worked on it, diplomats who negotiated it, and NGOs that back it, most of them committed for the long haul. The new constituency also includes a burgeoning, influential class of international civil servants responsible for implementing, monitoring, and enforcing this enormous new body of law.

No longer of, by, and for the nation-state, international institutions lurch toward change.

At the same time, governments, while ambivalent about the international community mixing in states' domestic affairs, have driven some gaping holes in the wall that has separated the two. In the triumphant months after the Berlin Wall came down, international accords, particularly ones agreed on by what is now the Organization for Security and Cooperation in Europe and by the Organization of American States (OAS), drew explicit links between democracy, human rights, and international security, establishing new legal bases for international interventions. In 1991 the U.N. General Assembly declared itself in favor of humanitarian intervention without the request or consent of the state involved. A year later the Security Council took the unprecedented step of authorizing the use of force "on behalf of civilian populations" in Somalia. Suddenly an interest in citizens began to compete with, and occasionally override, the formerly unquestioned primacy of state interests.

Since 1990 the Security Council has declared a formal threat to international peace and security 61 times, after having done so only six times in the preceding 45 years. It is not that security has been abruptly and terribly threatened; rather, the change reflects the broadened scope of what the international community now feels it should poke

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its nose into. As with Haiti in 1992, many of the so-called Chapter VII resolutions authorizing forceful intervention concerned domestic situations that involved awful human suffering or offended international norms but posed little if any danger to international peace.

Almost as intrusive as a Chapter VII intervention, though always invited, election monitoring has also become a growth industry. The United Nations monitored no election in a member state during the Cold War, only in colonies. But beginning in 1990 it responded to a deluge of requests from governments that felt compelled to prove their legitimacy by the new standards. In Latin America, where countries most jealously guard their sovereignty, the OAS monitored 11 national elections in four years.

And monitoring is no longer the passive observation it was in earlier decades. Carried out by a close-knit mix of international organizations and NGOs, it involves a large foreign presence dispensing advice and recommending standards for voter registration, campaign law, campaign practices, and the training of clerks and judiciaries. Observers even carry out parallel vote counts that can block fraud but at the same time second-guess the integrity of national counts.

International financial institutions, too, have inserted themselves more into states' domestic affairs. During the 1980s the World Bank attached conditions to loans concerning recipient governments' policies on poverty, the environment, and even, occasionally, military spending, a once sacrosanct domain of national prerogative. In 1991 a statement of bank policy holding that "efficient and accountable public sector management" is crucial to economic growth provided the rationale for subjecting to international oversight everything from official corruption to government competence.

Beyond involving them in an array of domestic economic and social decisions, the new policies force the World Bank, the International Monetary Fund, and other international financial institutions to forge alliances with business, NGOs, and civil society if they are to achieve broad changes in target countries. In the process, they have opened themselves to the same demands they are making of their clients: broader public participation and greater openness in decision-making. As a result, yet another set of doors behind which only officials sat has been thrown open to the private sector and to civil society.

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LEAPS OF IMAGINATION

AFTER THREE and a half centuries, it requires a mental leap to think of world politics in any terms other than occasionally cooperating but generally competing states, each defined by its territory and representing all the people therein. Nor is it easy to imagine political entities that could compete with the emotional attachment of a shared landscape, national history, language, flag, and currency.

Yet history proves that there are alternatives other than tribal anarchy. Empires, both tightly and loosely ruled, achieved success and won allegiance. In the Middle Ages, emperors, kings, dukes, knights, popes, archbishops, guilds, and cities exercised overlapping secular power over the same territory in a system that looks much more like a modern, three-dimensional network than the clean-lined, hierarchical state order that replaced it. The question now is whether there are new geographic or functional entities that might grow up alongside the state, taking over some of its powers and emotional resonance.

The kernels of several such entities already exist. The European Union is the most obvious example. Neither a union of states nor an international organization, the EU leaves experts groping for inadequate descriptions like "post-sovereign system" or "unprecedented hybrid." It respects members' borders for some purposes, particularly in foreign and defense policy, but ignores them for others. The union's judiciary can override national law, and its Council of Ministers can overrule certain domestic executive decisions. In its thousands of councils, committees, and working groups, national ministers increasingly find themselves working with their counterparts from other countries to oppose colleagues in their own government; agriculture ministers, for example, ally against finance ministers. In this sense the union penetrates and to some extent weakens the internal bonds of its member states. Whether Frenchmen, Danes, and Greeks will ever think of themselves first as Europeans remains to be seen, but the EU has already come much further than most Americans realize.

Meanwhile, units below the national level are taking on formal international roles. Nearly all 50 American states have trade offices abroad, up from four in 1970, and all have official standing in the World Trade

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Organization (WTO). German *Länder* and British local governments have offices at EU headquarters in Brussels. France's Rhône-Alpes region, centered in Lyon, maintains what it calls "embassies" abroad on behalf of a regional economy that includes Geneva, Switzerland, and Turin, Italy.

Emerging political identities not linked to territory pose a more direct challenge to the geographically fixed state system. The WTO is struggling to find a method of handling environmental disputes in the global commons, outside all states' boundaries, that the General Agreement on Tariffs and Trade, drafted 50 years ago, simply never envisioned. Proposals have been floated for a Parliamentary Assembly in the United Nations, parallel to the General Assembly, to represent the people rather than the states of the world. Ideas are under discussion that would give ethnic nations political and legal status, so that the Kurds, for example, could be legally represented as a people in addition to being Turkish, Iranian, or Iraqi citizens.

The shift from national to another allegiance will be a cultural and political earthquake.

Further in the future is a proposed Global Environmental Authority with independent regulatory powers. This is not as far-fetched as it sounds. The burden of participating in several hundred international environmental bodies is heavy for the richest governments and is becoming prohibitive for others. As the number of international agreements mounts, the pressure to streamline the system—in environmental protection as in other areas—will grow.

The realm of most rapid change is hybrid authorities that include state and nonstate bodies such as the International Telecommunications Union, the International Union for the Conservation of Nature, and hundreds more. In many of these, businesses or NGOs take on formerly public roles. The Geneva-based International Standards Organization, essentially a business NGO, sets widely observed standards on everything from products to internal corporate procedures. The International Securities Markets Association, another private regulator, oversees international trade in private securities markets—the world's second-largest capital market after domestic government bond markets. In another crossover, markets become government enforcers when they adopt treaty standards as the basis for market judgments. States and NGOs are collaborating

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ad hoc in large-scale humanitarian relief operations that involve both military and civilian forces. Other NGOs have taken on standing operational roles for international organizations in refugee work and development assistance. Almost unnoticed, hybrids like these, in which states are often the junior partners, are becoming a new international norm.

FOR BETTER OR WORSE?

A WORLD that is more adaptable and in which power is more diffused could mean more peace, justice, and capacity to manage the burgeoning list of humankind's interconnected problems. At a time of accelerating change, NGOs are quicker than governments to respond to new demands and opportunities. Internationally, in both the poorest and richest countries, NGOs, when adequately funded, can outperform government in the delivery of many public services. Their growth, along with that of the other elements of civil society, can strengthen the fabric of the many still-fragile democracies. And they are better than governments at dealing with problems that grow slowly and affect society through their cumulative effect on individuals—the "soft" threats of environmental degradation, denial of human rights, population growth, poverty, and lack of development that may already be causing more deaths in conflict than are traditional acts of aggression.

As the computer and telecommunications revolution continues, NGOs will become more capable of large-scale activity across national borders. Their loyalties and orientation, like those of international civil servants and citizens of non-national entities like the EU, are better matched than those of governments to problems that demand transnational solutions. International NGOs and cross-border networks of local groups have bridged North-South differences that in earlier years paralyzed cooperation among countries.

On the economic front, expanding private markets can avoid economically destructive but politically seductive policies, such as excessive borrowing or overly burdensome taxation, to which governments succumb. Unhindered by ideology, private capital flows to where it is best treated and thus can do the most good.

International organizations, given a longer rein by governments and connected to the grassroots by deepening ties with NGOs, could,

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with adequate funding, take on larger roles in global housekeeping (transportation, communications, environment, health), security (controlling weapons of mass destruction, preventive diplomacy, peacekeeping), human rights, and emergency relief. As various international panels have suggested, the funds could come from fees on international activities, such as currency transactions and air travel, independent of state appropriations. Finally, that new force on the global scene, international public opinion, informed by worldwide media coverage and mobilized by NGOs, can be extraordinarily potent in getting things done, and done quickly.

There are at least as many reasons, however, to believe that the continuing diffusion of power away from nation-states will mean more conflict and less problem-solving both within states and among them.

For all their strengths, NGOs are special interests, albeit not motivated by personal profit. The best of them, the ablest and most passionate, often suffer most from tunnel vision, judging every public act by how it affects their particular interest. Generally, they have limited capacity for large-scale endeavors, and as they grow, the need to sustain growing budgets can compromise the independence of mind and approach that is their greatest asset.

A society in which the piling up of special interests replaces a single strong voice for the common good is unlikely to fare well. Single-issue voters, as Americans know all too well, polarize and freeze public debate. In the longer run, a stronger civil society could also be more fragmented, producing a weakened sense of common identity and purpose and less willingness to invest in public goods, whether health and education or roads and ports. More and more groups promoting worthy but narrow causes could ultimately threaten democratic government.

Internationally, excessive pluralism could have similar consequences. Two hundred nation-states is a barely manageable number. Add hundreds of influential nonstate forces—businesses, NGOs, international organizations, ethnic and religious groups—and the international system may represent more voices but be unable to advance any of them.

Moreover, there are roles that only the state—at least among today's polities—can perform. States are the only nonvoluntary political unit, the one that can impose order and is invested with the power to tax. Severely weakened states will encourage conflict, as they have in Africa,

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Central America, and elsewhere. Moreover, it may be that only the nation-state can meet crucial social needs that markets do not value. Providing a modicum of job security, avoiding higher unemployment, preserving a livable environment and a stable climate, and protecting consumer health and safety are but a few of the tasks that could be left dangling in a world of expanding markets and retreating states.

More international decision-making will also exacerbate the so-called democratic deficit, as decisions that elected representatives once made shift to unelected international bodies; this is already a sore point for EU members. It also arises when legislatures are forced to make a single take-it-or-leave-it judgment on huge international agreements, like the several-thousand-page Uruguay Round trade accord. With citizens already feeling that their national governments do not hear individual voices, the trend could well provoke deeper and more dangerous alienation, which in turn could trigger new ethnic and even religious separatism. The end result could be a proliferation of states too weak for either individual economic success or effective international cooperation.

Finally, fearsome dislocations are bound to accompany the weakening of the central institution of modern society. The prophets of an internetted world in which national identities gradually fade, proclaim its revolutionary nature and yet believe the changes will be wholly benign. They won't be. The shift from national to some other political allegiance, if it comes, will be an emotional, cultural, and political earthquake.

DISSOLVING AND EVOLVING

MIGHT THE decline in state power prove transitory? Present disenchantment with national governments could dissipate as quickly as it arose. Continuing globalization may well spark a vigorous reassertion of economic or cultural nationalism. By helping solve problems governments cannot handle, business, NGOs, and international organizations may actually be strengthening the nation-state system.

These are all possibilities, but the clash between the fixed geography of states and the nonterritorial nature of today's problems and solutions, which is only likely to escalate, strongly suggests that the relative power of states will continue to decline. Nation-states may simply no

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longer be the natural problem-solving unit. Local government addresses citizens' growing desire for a role in decision-making, while transnational, regional, and even global entities better fit the dimensions of trends in economics, resources, and security.

The evolution of information and communications technology, which has only just begun, will probably heavily favor nonstate entities, including those not yet envisaged, over states. The new technologies encourage noninstitutional, shifting networks over the fixed bureaucratic hierarchies that are the hallmark of the single-voiced sovereign state. They dissolve issues' and institutions' ties to a fixed place. And by greatly empowering individuals, they weaken the relative attachment to community, of which the preeminent one in modern society is the nation-state.

If current trends continue, the international system 50 years hence will be profoundly different. During the transition, the Westphalian system and an evolving one will exist side by side. States will set the rules by which all other actors operate, but outside forces will increasingly make decisions for them. In using business, NGOs, and international organizations to address problems they cannot or do not want to take on, states will, more often than not, inadvertently weaken themselves further. Thus governments' unwillingness to adequately fund international organizations helped NGOs move from a peripheral to a central role in shaping multilateral agreements, since the NGOs provided expertise the international organizations lacked. At least for a time, the transition is likely to weaken rather than bolster the world's capacity to solve its problems. If states, with the overwhelming share of power, wealth, and capacity, can do less, less will get done.

Whether the rise of nonstate actors ultimately turns out to be good news or bad will depend on whether humanity can launch itself on a course of rapid social innovation, as it did after World War II. Needed adaptations include a business sector that can shoulder a broader policy role, NGOs that are less parochial and better able to operate on a large scale, international institutions that can efficiently serve the dual masters of states and citizenry, and, above all, new institutions and political entities that match the transnational scope of today's challenges while meeting citizens' demands for accountable democratic governance.

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Europe's Rising Regionalism

John Newhouse

DEVOLUTION OF AUTHORITY

THE NATION-STATE is too big to run everyday life, and too small to manage international affairs. So say many of Europe's regional and big-city leaders, who are themselves gaining influence and authority. European cities and regional governments are acquiring bigger budgets and developing more professional bureaucracies. National cultures are being squeezed between a broader popular culture and briskly reviving regional cultures.

Europeans are finding national interests hard to see, let alone define. The role of European governments is just as ambiguous. National leaders had an easier time during the Cold War, when, thanks to NATO, they could satisfy the essential need, military security. But in this transitional time, economic security is far more pressing, and far more elusive. A second industrial revolution is causing serious social dislocations. The nation-state's inability to keep unemployment at a tolerable level while maintaining the social safety net has accelerated Europe's growing devolution of authority.

With European governments losing or ceding control of national economies, their constituencies are turning to the market for help. Two parallel and related processes have emerged. One is regionalism, the other globalization; instead of working through national capitals, European regions are linking themselves directly to the global economy.

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As the role of central governments shrinks, democratic societies are being fragmented and factionalized politically, culturally, and linguistically. Mainstream political parties, especially in Europe, are losing their credibility and support. The institutions of government are under even heavier pressure. At varying speeds and to varying degrees, authority is drifting down from national capitals to provinces and cities. Regionalism, whether within or across national borders, is Europe's current and future dynamic. Its sources vary, but it is judged on many sides to be partly a protest against the authority of national capitals by people who see themselves as belonging, historically and otherwise, more to "Europe" than to a nation-state of clouded origins and dubious boundaries.

Local entities feel better suited to manage their affairs than distant bureaucracies.

The nation-state is in most cases a relatively recent formation, and in many places the process of cobbling it together left a deposit of sour memories. With the Cold War over, people are indifferent to whether Germany acquires a seat on the U.N. Security Council or Poland is admitted to NATO. Foreign policy has to be concerned with crime, drug trafficking, and immigration. Local authorities feel that they, not national governments, are best suited to deal with such matters, even though they must compete with their capitals for adequate funding.

Officials in some provincial cities see growing regional sentiment as a reaction to burdensome regulations descending from European Union headquarters in Brussels. But many regional leaders and officials are self-professed Europeans; they talk about bypassing national capitals and dealing directly with Brussels. The deeply controversial Treaty on European Union concluded at Maastricht in December 1991 took account of the trend by creating a Committee of the Regions, although that body's mandate is still not clear.

What is clear is that in this age of global trade and capital flows, not to mention information highways and high-speed travel, local entities feel better placed to manage their affairs than distant bureaucracies, whether in national capitals or in Brussels. The German state of Baden-Württemberg, for example, is making its own foreign and

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trade policies; it has signed several hundred agreements with other regions and entities. In this more freewheeling environment, bankers and industrial planners have begun to view Europe at least as much as a group of distinct economic regions as an assortment of nation-states.

Creating the climate for faster growth is a top priority for any government, and one that European cities and regions believe themselves better equipped to achieve than their national capitals. Regionalism is also partly about infrastructure. Raising taxes to finance infrastructure projects is probably not an option for most EU governments; their revenues already average nearly half of GDP, compared with less than a third in the United States. Much of the investment in large projects is thus being done at the regional or local level, often in cooperation with neighboring regions with which the region or locality has strong economic ties.

Regionalism is much more than a return to cultural roots or a distancing from national capitals. It has as much to do with wealth creation as anything else. Many and probably most of the wealthiest provinces of Western Europe are interacting with one another (and in some cases with parts of Central Europe) and together creating super-regions—large economic zones that transcend national boundaries.

RIPE BANANAS

VARIOUS BANKING and business circles believe that Europe's industrial and financial heartland is dividing into banana-shaped configurations. Jordi Pujol, the president of Catalonia, Spain's dominant political figure and Europe's most conspicuous prophet of regionalism, will sketch the two most highly developed "bananas" for visitors to his Barcelona office. The first zone, which he considers more important, stretches from southeastern England through northern France and the Benelux countries and down the Rhine Valley into Switzerland. The second forms an arc from the Veneto in Italy, west through Lombardy and the Piedmont into the Rhône-Alpes, across France's Mediterranean coast and hinterland, and into Catalonia. Pujol calls this second "banana" Europe's Sunbelt, noting that it is undergoing the kind of economic growth that transfigured America's Sunbelt a few decades ago.

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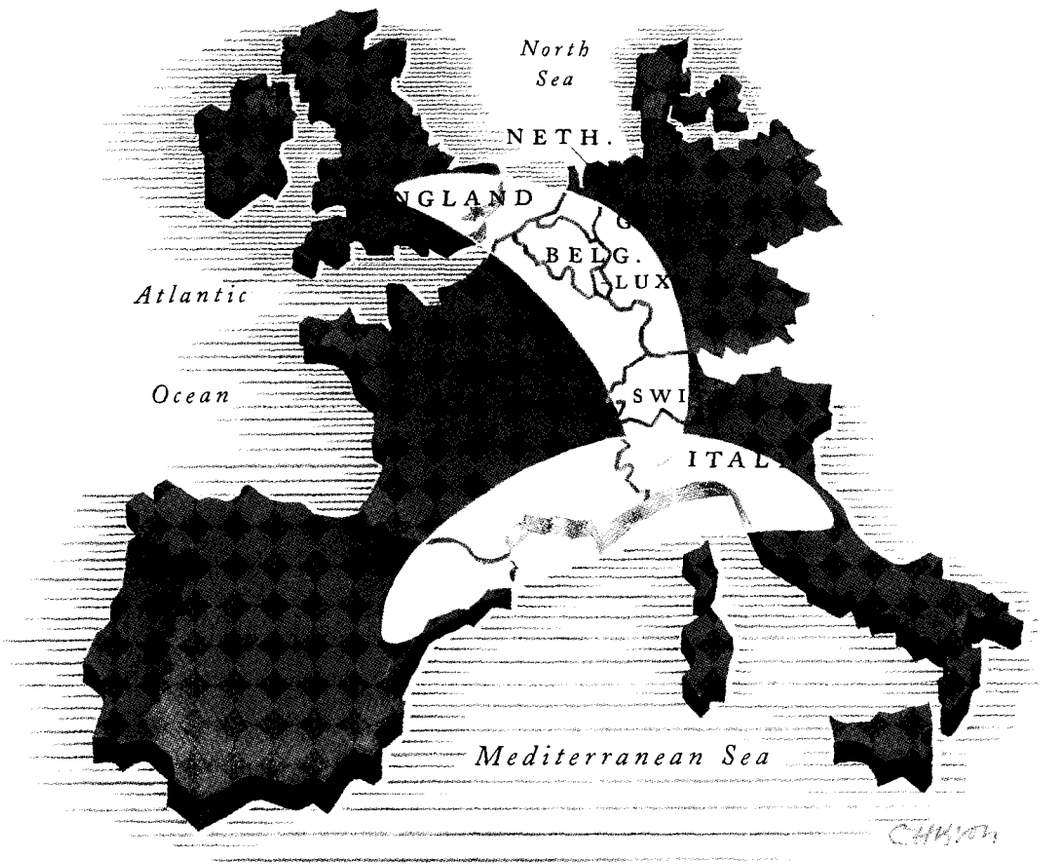

Other potential super-regions include an Atlantic arc stretching from Ireland through Wales and Brittany across the sea into Galicia and Portugal, and a zone that would closely resemble the former Hanseatic League, built around its original Nordic and Baltic membership.

Regionalism's hostility to distant bureaucracies may seem to target the institutions of the EU as much as ministries in national capitals, but it's not that simple. To take advantage of economies of scale and compete globally, the regions need a single market. Pujol and his allies believe the regions and the EU fraternity in Brussels have a common interest: weakening the nation-state. The regional movement, they feel, has been better accepted by EU institutions than national governments. The most important players of the future, they predict, will be the regions and the EU.

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Nevertheless, in Germany, France, much of Spain, and Italy, there is a curious, perhaps predictable, ambivalence to the EU; people favor it, by and large, but they reject the proposition that it should exercise power over their lives. They consider the EU overly bureaucratic and technocratic. In any case, the EU isn't offering what Europeans are looking for: something they can relate to emotionally. The Germans call it *Heimat*, and some say it is the true source of regionalism. In France's 1992 referendum on the Maastricht treaty, the 49 percent who voted against ratification were judged to be largely pro-Europe but anti-Brussels.

Various regionalists see their role as stemming what some of them call the centralizing tide from Brussels. They ask whether it is the EU's job to build highways in Portugal, or to tell farmers how many pigs to slaughter and how big their apples can be, or to ordain a standardized tractor seat for all 15 countries of the union. The system's defenders respond that the EU encourages growth because, for example, instead of having to deal with 15 different sets of standards and regulations, manufacturers of tractor seats for the European market need meet only one.

Brussels also perceives that the single European market will help the regions of Europe by blurring national frontiers. As borders lose their meaning, deeply rooted patterns of commercial and cultural interaction are reappearing in regions where people have more in common, culturally or economically, with neighbors across the border than with their fellow countrymen. Baden-Württemberg, Alsace, and Basel are now one region for employment purposes, and a heavy concentration of both industry and universities is bolstering a regional identity. Saxony, in eastern Germany, is slowly becoming the midpoint of a similar region reaching north toward Berlin, south into the Czech Republic, and east to Poland.

In France, some are concerned that a piece of the southwest will again become part of the Catalan sphere of influence. French cities that were once the cultural centers of Catalonia are watching a lot of Catalan television, and the area around Toulouse is now doing more business with Catalonia than with other regions in France.

The Rhône-Alpes is France's strongest region, and Lyon, its capital and France's second-largest city, is a major international center.

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Lyon's commercial policy is gaining independence and extending its European and global reach. Its airport was the first in France to acquire a high-speed rail link. Lyon's plan for growth includes high-speed rail service to Turin, Italy, which will require tunneling 35 miles through the Alps but will cut travel time between the cities to just over an hour. The wealthy triangle formed by Lyon, Turin, and Geneva—known as the Alpine Diamond—has a synergy that few regions of the world can match.

High-speed rail transport will become increasingly important in exploiting that synergy's potential, and will be another equalizer as regions and major cities further detach themselves from national capitals. So-called intermodal transport will move people and goods through a tight network of air, rail, and road links based on joint planning carried out by regional centers in two, three, or four or more countries. The most costly component is the as yet incomplete high-speed rail network; it requires trains of the kind first introduced in Europe as the French *Train à Grande Vitesse*, commonly known as the TGV, along with fully modern terminals linking the rail system to major airports. Germany, Italy, and Spain have emulated France, introducing trains similar to the TGV. Not surprisingly, cities, rather than regions or nation-states, are the strongest advocates of a continental rail system.

In 1988 the regions surrounding Stuttgart, Barcelona, Lyon, and Milan—Baden-Württemberg, Catalonia, the Rhône-Alpes, and Lombardy—formed the Four Motors Association. The idea was that the four would together become the engine for European growth. Thus far the group has not managed to focus attention on the region's knowledge-intensive industries, which was its early purpose. Europe's most prosperous industrial regions are still reluctant to interfere with the methods that have worked so well in the past, even if competing in the global market requires moving as rapidly as possible into technology's upper reaches. Some say the association's real function is to coordinate regional policy with Brussels and work around disputes between EU members over integration issues.

If the larger purpose of the Four Motors Association is wealth creation rather than a conscious return to roots, will the process drive politics in its and other regions to the right, especially as

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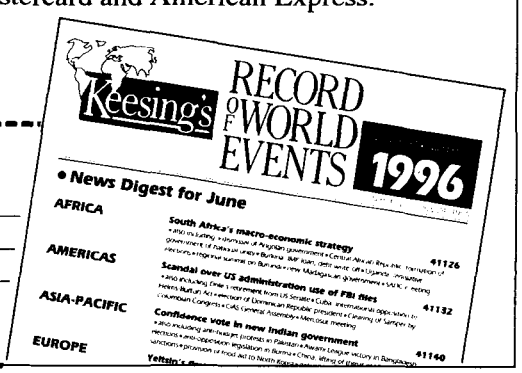

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some become richer and others poorer? And who will protect the poor and disadvantaged? Nation-states? The EU? Will new and wider disparities be created? And to what extent is regionalism corrupting local politics? Corruption is already a powerful and debilitating force in numerous European countries, notably France, Italy, and Spain. Increasing the number of decision-makers and the money available to local government increases the opportunities for graft.

Europeans no longer think about providing for their security at the level of the nation-state.

A large and unexamined question is the effect of regionalism on European security. Most European members of NATO are scaling back spending for defense, and in more than a few cases self-absorbed regions may insist on smaller commitments of resources for that purpose. Germany is a conspicuous example. When the Berlin Wall came down, some *Länder* leaders wanted to convert military bases into schools and other civilian facilities. Mayors in some of the regions argued for keeping the bases because of the jobs involved. Neither side claimed that the bases were necessary for defense, present or future.

Europeans for the most part have lost the habit of thinking about providing for their security at the level of the nation-state. Instead, they have an existential feeling of security from membership in both NATO and the EU. Defense spending by European states is in free fall. But their governments should understand that a diminishing commitment to their own security may weaken support for NATO within the United States, its leader and ballast.

The combination of porous borders and weakened national governments and police forces complicates efforts to combat illegal drugs, organized crime, and hot money. The European Commission says it needs more authority to cope with organized crime syndicates operating across national boundaries and, consequently, existing jurisdictions.

Pondering the effects of regionalism on security raises another question: with regions acquiring separate identities, will some of them tilt against one another, as in the past? The revival of ethnicity brought on by regional resurgence is a concern, and not just in his-

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torically volatile areas. Nevertheless, the net effect on security may be positive, at least to the extent that regional power can allay local anxieties and neutralize potentially violent separatist groups. In doing so, regions relieve pressure on national governments. It is not by chance that regional power has grown with the willing assent of the state—although it has grown in some places because national governments could not deter it by any acceptable means.

One way of thinking about regionalism is to recognize that in Western Europe the Cold War was accompanied by vastly successful modernization, which blurred regional cultures. The current revival of those cultures is in part a protest against that process, but in most places a benign one.

THE LÄNDER OF GERMANY

THE REGIONAL current is running strong in most parts of the EU, conspicuously in Germany, Belgium, northern Italy, Spanish Catalonia, southwest France, and the Rhône-Alpes. In Italy, a highly centralized state must cope with a highly decentralized economy and a regionalist north that wants a federal structure. With its even more centralized system, France will have the most trouble coping with regional sentiments. Germany is better prepared, thanks largely to its well-established federal structure. German regionalism also has the strongest roots; tradition and Germany's brief but tumultuous history as a nation-state have strengthened the regional and tribal instincts of its people. Germans today exist comfortably within their federal structure; most of them feel as if they are living once again as Thuringians or Bavarians or Westphalians first, and Germans second. It's easier to say, "I am a Swabian" or "I am a Saxon" than "I am a German," although some (who can say how many?) might add, "I am also a European."

Today's German federalism was not imposed by the victorious Allies of World War II, although they strongly supported it, but by the founders of the Federal Republic in 1948-49. They believed that political life in West Germany should be built around reconstituted *Länder*. In East Germany, Soviet occupation authorities replaced the five eastern *Länder* with 14 military districts. But when the

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Berlin Wall came down and unification became a reality, East Germans instantly reclaimed their regional identities. *Länder* flags, not the national flag, were flown.

German federalism is the model for regionalists elsewhere, but it doesn't travel. The *Länder* system requires a large administrative capacity at the state level, which most regions do not possess. The *Länder* governments dominate social policy, including education, and they have a voice in foreign policy through offices they maintain in both Bonn and Brussels. Those offices are used primarily to lobby members of the Bundestag and the diplomatic community and representatives of industry and commerce. Parliamentarians, diplomats, and other lobbyists all agree that the *Länder* offices are the best hosts in Bonn, and more than hold their own in Brussels.

However, the chief source of the *Länder*'s power in Bonn lies not in their lobbying prowess but in their control of the Bundesrat, the upper house of parliament designed to represent the 16 *Länder*. The Maastricht treaty was ratified only after the Bundesrat had bowed to pressure from *Länder* leaders for more authority over EU policy. The Bundesrat must approve more than half of all bills, especially those that concern the financial and administrative affairs of the *Länder*. When the Bundestag and the Bundesrat disagree, a committee is formed to mediate a compromise.

Evidence of the decline of the German state is reflected in the diminished status of various ministries, including even the Finance Ministry. According to Herbert A. Henzler, chairman of McKinsey & Co. in Germany, 40 percent of German public spending orginates on the federal level, 30 percent in the *Länder*, and 30 percent in cities and towns. Federal spending is in continuing decline, he says.

Economic growth in Germany has been concentrated in several rival cities—Hamburg, Munich, Stuttgart, Frankfurt, and Düsseldorf. Regions like Bavaria and Baden-Württemberg rely on their business communities for leverage against Bonn. Their big auto companies, BMW and Daimler-Benz, can threaten to take jobs farther east or across the sea to Puerto Rico or Asia, where costs are not as oppressive. It is politically correct to be involved with the east, but investors in Munich are far less interested in the new *Länder* of eastern

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Germany than in the Czech Republic, Hungary, and other East and Central European countries. Siemens, a Munich-based conglomerate that is the third-largest German company behind Daimler-Benz and Volkswagen, has a presence in every East European country, including Bosnia. Siemens reckons that its labor costs in the east are about ten percent of comparable costs in Germany, with productivity at about 70 percent of what it would be at home.

Among the *Länder* of eastern Germany, Saxony is the pacesetter and Dresden the most influential capital city, thanks in part to Saxony's minister-president, Kurt Biedenkopf, who is at least as respected as any of the country's political figures and, aside from Kohl, widely regarded as the most resourceful of them. Biedenkopf's administration is developing productive links with Bavaria and Baden-Württemberg, a task made easier by Biedenkopf's position as a major figure in the Christian Democratic Union, Germany's dominant party. Like many Germans, Biedenkopf feels that the larger interests of both Germany and Europe require further decentralization. Their concern is that a dominant, centralized republic with 80 million citizens and Berlin as its capital will intimidate its neighbors and foster anti-German coalitions.

THE SOUTH OF THE NORTH

SPANISH CATALONIA tends to think of itself as a nation, not a region. It is hard to disagree, even though Catalonia has not known political independence since the late seventeenth century. It was among the early European nations, once a medieval imperium whose maritime power for a time gave it control of Sicily, Corsica, Sardinia, and the Balearic Islands. The Catalan language reached into Provence, and by the fourteenth century most of southwestern France was ruled from Barcelona.

Contemporary Catalans see themselves as charting their course on a similarly large canvas. They not only consider Barcelona the first city of the Mediterranean—which it is—but regard themselves as constituting the north of the south and, more important, the south of the north. They see themselves as belonging to a community of northern European nations and a single market of 400 million consumers.

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President Pujol and most politically aware Catalans feel that by any standard criteria, including economic stability, per capita income, population, cultural attributes, history, and outlook, they are more a northern European nation than a region in the less prosperous, less dynamic, more agrarian, and historically divergent mother country. It was Catalonia's entrepreneurial spirit, along with its location, that gave Spain access to the Industrial Revolution. Barcelona's cultured bourgeoisie acted as a magnet for the avant-garde, from Romanticism to Art Nouveau and Surrealism. For Barcelonans, the Castilian capital, Madrid, is a rather provincial city of limited interest. Pujol and his fellow nationalists like to emphasize Catalonia's Europeanness—how it played virtually no part, for example, in the Islamization of Spain, and was always oriented to the north and east. Among the long list of Catalan claims is that in 1359 the Kingdom of Catalonia became the world's first parliamentary government. Pujol is a well-known personality in Western Europe, partly because he is a fervent European, meaning he supports the EU. He uses the union to help him distance Catalonia from Madrid.

Catalan separatism does have its limits. The region's banking and industrial elite are reluctant to rock the boat, aware that Madrid will not surrender complete control of Spain's richest source of revenue and gateway to Europe. Catalonia produces a quarter of Spain's exports and 40 percent of its industrial exports with less than 14 percent of the population. Its renovated port handles nearly a quarter of the entire Mediterranean shipping trade. Like northern Italians, Catalans resent their nation's capital, which they view as sponging up the wealth they create and top-heavy with bureaucracy.

Among Pujol's weapons for distinguishing his putative nation from Spain, none has been more effective than the Catalan language, which he uses to sustain and extend the Catalan personality in Catalonia and beyond. Catalan is the language of instruction in Catalonia's schools, while Spanish is an elective like English and French. A group of parents who sued the state, insisting that children be taught in Spanish, lost. Embittered citizens say that Pujol's Catalonia obliges one to speak his language instead of the mother tongue. Pujol's allies respond

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that doing otherwise would create two opposing communities; the Catalan language, they say, is the great equalizer in a society where Andalusians and other non-Catalans constitute 40 percent of the population. A different pattern is visible in the media; Barcelona's major outlets for both print and broadcast journalism divide about equally between the two languages.

As imposing as Pujol is, he shares center stage in Barcelona with Pasquall Maragall, the vastly successful and popular mayor. Maragall, an urban planner by training, is said to envisage a resurrection of city-states, some of which would form a metropolitan system stretching across the Mediterranean littoral from Barcelona through southern France and into Italy. He thinks that such a system can function more smoothly and productively than one of nation-states. Maragall envies Milan and observes that Barcelona, too, must be able to sustain an international airport, with nonstop flights to New York and Tokyo. La Scala is another object of his envy; a world-class opera house is high on his list of musts. Still another priority is a high-speed train that would eventually connect Barcelona to Montpelier, Lyon, and northern Italy. There is little else Maragall can do to achieve what he most envies about Milan—its central European location.

DEVOLVING FRANCE

FRANCE IS the world's consummate nation-state. Its uniquely centralized authority dates to the early 1790s, when the country was divided into 88 *départements*, each run by a *préfet* appointed by Paris. In 1964, the *départements* were grouped into 21 regions, all drawn in a way that avoided similarity to the culturally distinct provinces.[1]

But the freewheeling activity in cities and regions along and across France's borders with Germany, Spain, Italy, and Belgium has had a ripple effect. Most major French cities have acquired larger budgets and more authority than ever before. In 1982 the newly arrived regime of President François Mitterand, who saw the *préfets* as a conservative-Gaullist elite, granted fairly broad

[1]Christopher Harvie, *The Rise of Regional Europe*, London: Routledge, 1994, p. 58.

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powers to regional councils. Since then, the councils and the *préfets*, still appointed by Paris, have coexisted within a complex system of checks and balances.

Last July the government of President Jacques Chirac disclosed plans to delegate more decision-making power to the regions. The minister in charge of the public sector cited "profound archaisms" in the management of the state. Ministries in Paris, he noted, would lose 70,000 jobs, and the number of headquarters functions in Paris would be cut by 30 percent.

The chief threat to the Paris edifice and Bonapartist tradition lies in the Rhône-Alpes.

The chief threat to the Paris edifice and Bonapartist tradition lies in the largest French region, the Rhône-Alpes, and its capital, Lyon. In its economic strength and versatility, along with the depth of its cultural and educational institutions, Lyon is second only to Paris. The city is home to nine universities with 180,000 students and has a vast technological base. The Rhône-Alpes is as large as the Netherlands, Belgium, and Switzerland combined, stretching from the Rhône River in the north to the Savoie mountains on the Swiss and Italian borders to the east to the rural Ardèche in the south. Other big cities like St. Etienne and Grenoble, one of Europe's premier centers of advanced technology, are collateral sources of regional economic power and reach.

The senior officials and planners in Lyon convey the same awareness of being the hub city of a region on the move as do their counterparts in Barcelona. They compare their projects and goals with those of colleagues there, whom they know well and consult regularly. The chief difference is that the Lyonnais make no claim to nationhood or cohesiveness. The Rhône-Alpes, they recognize, is an artificial construct—an assortment of dissimilar *départements* patched together by the state, against which the region is beginning to turn.

The Lyonnais profess to feel unambiguously French and do not, they say, have the soaring ambition of Catalan nationalists. But they have a similar desire to run their own show and to forge the external commercial links that will help them compete effec-

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tively in European and global markets. And Lyon does have some confrontational history. It was once a center of French Protestantism, and became the publishing center—above and below ground—of the Protestant movement. The city was also, in the 1940s, the headquarters of the French Resistance and its greatest leader, Jean Moulin.

Lyon brims with confidence and possesses a powerful entrepreneurial ethos. Along the axis formed by Lyon and Grenoble, the region's main cities, lies a flourishing private sector of over 4,000 companies—exporters in sectors ranging from agriculture to biotechnology that, by and large, have enjoyed trade surpluses with most of the world. Locals like to compare this aggregation with the huge, poorly performing state-owned companies that have long dominated the French economy. The comparison, they feel, helps explain why the Rhône-Alpes began its recovery from the recession of the early 1990s before other regions of France.[2]

Among the Rhône-Alpes' other advantages is Raymond Barre, mayor of Lyon, a deputy in the National Assembly, and president of the city's International Council. Barre, 72, never wanted to be mayor and agreed to run for the job only because the incumbent had been tried and convicted for corruption. Few, if any, other French political figures are as esteemed as Barre; besides having been prime minister for five years, he was also a respected professor of economics. His presence expands Lyon's range of options and aids the entire region, if only because no one in Paris can accuse this statesmanlike figure of promoting the interests of the city or the region at the expense of the country.

Lyon aspires to be the capital of southern Europe, and its claim to the role of southern gateway is strong. Its location and other attributes, including state-of-the-art transportation links, have helped the Rhône-Alpes attract considerably more foreign businesses than any other region of France. Many corporate executives, in deciding where to locate offices and warehouses, discover strong competitive advantages in Lyon's expansive highway system, modern Satolas airport, and links to high-speed rail service.

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[2]William Drozdiak, "Regionalism on the Rise," *The Washington Post*, October 22, 1995, p. 22.

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The city sees itself as the center of Europe's southern arc—a swath that resembles the banana Pujol likes to sketch. However, the Lyonnais configuration also takes in Geneva and stretches across northern Italy to Venice, then later extending to the east to incorporate Vienna and Budapest. Moreover, planners and promoters say, Lyon is establishing the major north-south axis between Frankfurt and Barcelona, and becoming the leading link between Europe's northeast and southwest.

PADANIA RISING?

JUDGING BY the press coverage and commentary, northern Italy would seem to be the caldron of subnational regionalism. In no other part of Europe, except possibly Corsica, is there more intense hostility toward the center, in this case Rome. In no other EU member state is there such an avowedly separatist movement or so much talk of a divided country. No other region harbors so shrill a secessionist, regionalist, or whatever Umberto Bossi, the chief of Italy's far-right Northern League, may be calling himself on any given day. But no part of northern Italy is likely to secede. As is usually the case in Italy, the raucous noises are deceptive and the situation more complicated than it appears.

Northern Italy is a medley of separate regions that have cultural and economic ties to neighboring countries. The Piedmont, Liguria, and Val d'Aoste lie within the French cultural orbit, Lombardy and the Veneto within the German. They are alike in their prosperity: the Veneto, the 7,000 square miles surrounding Venice, probably has Europe's highest per capita income and lowest unemployment. All of northern Italy is also alike in its febrile hostility toward the central government, especially toward what are seen as an intrusive bureaucracy and punitive taxes. Over the last decade taxes on business profits have jumped from 49 to 69 percent. Those who pay them regard them as a tribute exacted by Rome to sustain the idle and feckless of the *mezzogiorno*, the southern part of Italy, where in some areas unemployment hovers around 30 percent.

Northern Italy's regional assertion is bound up with the volatile and unpredictable Bossi, one part rabble-rouser, one part extremist—

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"a certifiable loony," in the words of a prominent European ambassador who has observed him closely. But so far, Bossi alone has managed to articulate the grievances of wealthy, disaffected northern Italians. He was not a secessionist at first but soon became one, demanding that Italy be divided into three republics. In the 1992 national elections the Northern League emerged as a major force in the north, with 23 percent of the vote. In the April 1996 elections, the League outpolled all other parties north of the Po River. Nationally, it can claim the support of a tenth of the electorate. It can tilt the balance in national elections, as Bossi proved when he joined with Silvio Berlusconi and his Forza Italia in the 1994 elections and when he withdrew his backing in 1996.

Still, in winning ten percent of the vote in the national election last year, the league lost some parliamentary seats. Two months later its mayoral candidates in three northern Italian cities—Mantua, Lodi, and Pavia—failed to make it past the first round, finishing third behind those of the center-right and center-left alliances.

Bossi's inflammatory rhetoric has become a burden for his movement, as have the memories aroused by the green-shirted militants who surround him. He tells the faithful to stop paying taxes, and he has been pressing for a referendum on secession; on June 2, 1996, the fiftieth anniversary of the Italian republic, he led tens of thousands of people in Lombardy in an oath of allegiance to Padania, a new state that would be composed of the breakaway northern provinces, Italy's economic heartland. Bossi's colleagues, however, do not share the leader's secessionist bias, and, depending on the audience, Bossi himself sometimes disavows secession. The ambiguity about the league's purpose is essential; most of those who vote for league candidates do not favor a split from Rome.

During the campaign last year, Romano Prodi, the leader of the victorious center-left coalition, promised to overhaul Italy's tax system and grant more power to town halls. Now that he is in office, however, Prodi is finding federalism a daunting and distant prospect at best, more an ideal than a goal. Italy has well-developed administrative structures at the municipal level, but its provincial bureaucracies are very weak. When municipal authorities were granted some of the taxing authority they had been crying for some

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years ago, they subsequently complained; they did not like the added responsibility. Creating a federal system would also mean trying to dismantle a vast, well-entrenched state bureaucracy.

The rich, disaffected northern regions take for granted a robust domestic market and equate the future with their ties to the other side of the Alps. Several firms in the Piedmont are moving into the Rhône-Alpes, where they consider the infrastructure better and the bureaucracy more responsive. Milan and the rest of Lombardy, once an outpost of the Austro-Hungarian Empire, now feel a strong sense of belonging to Mitteleuropa. Milan's architecture matches its attitude. It was the Austrian empress Maria Teresa who pushed for construction of La Scala, the opera house that Maragall envies so. A Milanese planner sees two arcs of prosperity—one stretching from Barcelona to the Danube Valley and enfolding northern Italy, Trieste, Bavaria, and Austria; the other extending from southwestern England through the Rhine Valley to northern Italy. He sees Milan, the region's business and cultural hub, as the axis of the first arc and vital to the second.

BETWEEN BARCELONA AND BRUSSELS

As COMPETITION in the global market gathers force, so does the regional trend. The question many Europeans are asking is whether regions are gradually supplanting nation-states as sources of political authority and custodians of public policy. The answer is unclear, the signs pointing in different directions. For a variety of reasons, European governments no longer seem capable of fulfilling the terms of the social contract—ensuring jobs and prosperity, not to mention absolute security from want, hardship, or inconvenience. But if governments cannot fulfill the social contract, on what basis will they govern? Will they be able to maintain social peace in large cities? Will they guarantee law and order? Will they espouse the exclusion of foreigners, and other populist causes?

Cities and regions can and probably will assume responsibilities that have belonged to central governments. Still, whatever happens, regions are unlikely in most cases to assume responsibility for the social contract, least of all the burden of providing social security.

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Equally unlikely is the prospect of an EU built mainly of numerous regions, large and small. So far, the significance of the regions is a good deal more economic than political; the heaviest impact is being made by the super-regions and lesser transnational communities, not least on the global economy. The nation-state is not going anywhere, not anytime soon. Its writ will continue to cover taxation and defense. It retains a solid grip on the EU's institutions. And it remains the only proven instrument for protecting justice, tolerance, and other human values. That said, the signs point to regionalism, not the EU, as constituting the larger threat to the authority of the nation-state.

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Democracy Without Illusions

Thomas Carothers

FROM REVOLUTION TO RETRENCHMENT

THOUGH OFTEN oversold, the trend toward democratic government that began in southern Europe in the mid-1970s, swept through Latin America in the 1980s, and spread to many parts of Asia, the former Soviet Union, Eastern Europe, and Africa in the late 1980s and early 1990s has been an important phenomenon. Together with the demise of Soviet-sponsored communism and the globalization of the international economic system, it propelled the world from the postwar period into a new era. The spread of democracy has by no means eradicated political repression or conflict, but it has tremendously increased the number of people who enjoy at least some freedom and fostered hope that the next century might be less fraught with political rivalry and destruction than the present one.

In the last several years, however, what enthusiasts at the start of the decade were calling "the worldwide democratic revolution" has cooled considerably. The headlines announcing that country after country was shrugging off dictatorial rule and embarking on a democratic path have given way to an intermittent but rising stream of troubling reports: a coup in Gambia, civil strife in the Central African Republic, flawed elections in Albania, a deposed government in Pakistan, returning authoritarianism in Zambia, the shedding of democratic forms in Kazakstan, sabotaged elections in Armenia, eroding human rights in Cambodia. There is still sometimes good news on the democracy front, such as Boris Yeltsin's defeat of

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the Russian communists last summer, but a countermovement of stagnation and retrenchment is evident.

Given the relevance of democracy's fortunes to the state of international relations, the new countermovement raises significant questions, starting with the basic one of whether it is only a scattering of predictable cases of backsliding or instead presages a major reverse trend. Furthermore, the rise of retrenchment prompts inquiry into where it is taking countries in which it is occurring, whether it signals the emergence of a new contender to the liberal democratic model, and what it says about when and why democracy succeeds.

Retrenchment also poses serious questions for U.S. policy. As democratization advanced around the globe in the 1980s and early 1990s, successive U.S. administrations increasingly emphasized support for democracy as a foreign policy goal. The tendency reached its zenith—rhetorically, at least—when the Clinton administration proclaimed the promotion of democracy "the successor to a doctrine of containment." It is thus imperative to ask whether retrenchment signals a failure of U.S. policies on democracy promotion and what it may mean for American foreign policy in the years ahead.

RETRENCHMENT'S REACH

DEMOCRATIC STAGNATION and retrenchment have been most pronounced in the former Soviet Union, Africa, and the Middle East. Several former Soviet republics have made genuine democratic progress since the U.S.S.R.'s dissolution in 1991, but in the rest of the 15, pluralism was stillborn or is losing ground. The 1996 Russian presidential elections were a milestone, yet political life in Russia is still only very partially democratic, and not especially stable. The dominant ideology is a form of state nationalism in which elements of pluralism mix uneasily with authoritarian structures and impulses carried over from the communist era. The Baltic states have established working democratic systems, and Ukraine and Moldova are at least holding on to a certain degree of pluralism and openness in politics.

Elsewhere in the former Soviet Union, Belarus has quietly sunk into dictatorship. The Central Asian states are a dispiriting collection of politically retrograde entities. Uzbekistan, Turkmenistan, and Tajikistan

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are under absolutist rule, with Tajikistan still wracked by civil strife. President Nursultan Nazarbayev of Kazakstan has punctured his promises of democracy with a march toward strongman rule over the last two years, capped by his replacement of presidential elections with a referendum on his continued rule. Even President Askar Akayev of Kyrgyzstan, the darling of Western donors for his initial reforming path, is showing incipient authoritarian tendencies, evident in the problematic parliamentary and presidential elections of 1995. Hopes for democracy in the Transcaucasus have faded, with both Armenia and Azerbaijan holding seriously flawed elections in the last two years. Pluralism is surviving in Georgia, but political stability seems to depend almost exclusively on one man, Eduard Shevardnadze.

In sub-Saharan Africa, the surge away from one-party regimes toward democracy has fragmented. Democratization is still advancing, or at least has not been reversed, in some nations, including not only South Africa but Mali, Malawi, Namibia, and Benin. At the same time, many of the more than 30 countries that experienced political openings early in the decade have gone seriously off course. Some have descended into civil conflict, and in Rwanda and Burundi, the violence has been horrifying. Coups have halted liberalization in Nigeria, Gambia, and Niger. Elsewhere, in Cameroon, Gabon, Chad, Burkina Faso, and Togo, entrenched strongmen have manipulated or co-opted supposedly transitional elections so as to reconsolidate their power. Fraud, severe administrative disorder, or a lack of permitted opposition parties have marred many elections, as in Côte d'Ivoire, Tanzania, and Kenya. Even where legitimate balloting has taken place, some of the newly elected leaders have disappointed, like President Frederick Chiluba of Zambia, who has returned to the authoritarian habits of his predecessors. On the whole, sub-Saharan Africa is more pluralistic today than it was ten years ago, and democracy may well take root in a number of African countries. The hopes for a continent-wide shift to democracy, however, have not been fulfilled.

The Middle East, the world's least democratic region, felt a liberalizing breeze in the late 1980s and early 1990s. Various governments undertook cautious, gradual political openings in response both to popular discontent generated by worsening economic woes and to democratic change worldwide. In Morocco and Jordan, the openings

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have slowly advanced and a certain space for pluralism has been created, although in both countries constitutional monarchs retain the bulk of power. Other states have suffered serious setbacks or stagnation. The transition to democracy in Algeria, once held out as a model for Arab countries, was abruptly derailed in 1992 by a military takeover after Islamist victories in national elections, and has since degenerated into a vicious civil war. Yemen's surprising experiment with democratization in the early 1990s, undertaken as part of the unification of the previously separate states of North and South Yemen, collapsed in 1994 when the south tried to secede and civil war flared. In Egypt, President Hosni Mubarak has resisted rising internal pressure for political reform and left many wondering if he can navigate the country through increasingly polarized waters. Around the region, deeply entrenched conservative elites fearful of Islamic fundamentalists have largely choked off nascent liberalization.

The "worldwide democratic revolution" has been cooling off around the globe.

In Eastern Europe, Latin America, and Asia, the democratic trend has fared better but the picture is still very mixed. Democracy has advanced considerably in Central and Eastern Europe. Poland, the Czech Republic, and Hungary, in particular, have taken huge strides. Romania has also made progress, including the surprising opposition sweep in the November national elections, although its slower and more uneven change reflects its relatively more oppressive rule before 1989. Bulgaria, Albania, and Slovakia enjoy some openness and pluralism, but their political paths are tortuous. Bulgaria has suffered from political and economic ineptitude in all its major factions. Albanian President Sali Berisha and Slovakian Prime Minister Vladimir Meciar have only limited tolerance for opposition, and flirt with autocracy. "Retrenchment" is an inadequate word for the political and human horrors that have ravaged the former Yugoslavia since 1991. Dictatorial regimes in Serbia and Croatia dominate the area, and the prospects for peaceful pluralism in Bosnia remain extremely shaky in spite of internationally supervised national elections in September.

To the surprise of many observers, Latin America has experienced few outright reversals among the more than a dozen transitions to

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elected, civilian government that occurred in the 1980s. Haiti suffered a coup in 1991, but U.S. military intervention overturned the regime in 1994 and reinstalled the elected president, Jean-Bertrand Aristide. Peru experienced a setback in 1992 with President Alberto Fujimori's temporary suspension of democratic rule in an *autogolpe,* and the country remains in a gray area between dictatorship and democracy. Guatemala, Venezuela, and Paraguay have all had close brushes in recent years with military coups, but elected governments are still in place.

The question for Latin America is not whether democracy can be maintained in form but whether it can be achieved in substance. In a few countries, primarily ones with some democratic tradition, such as Costa Rica, Chile, and Uruguay, it is possible to speak of the consolidation of democracy. In most of the region, however, severe deficiencies mark political life—weak capacity and performance of government institutions, widespread corruption, irregular and often arbitrary rule of law, poorly developed patterns of representation and participation, and large numbers of marginalized citizens.

The recent progress of Asia's far from all-encompassing but nonetheless notable democratic trend has been as various as the trend's original causes and manifestations. Taiwan and South Korea remain examples of relatively successful democratic transitions following from successful economic transformations. Democratization in the Philippines, Thailand, and Mongolia is holding steady or even advancing on some counts, in spite of serious corruption in the former two countries and the burdensome legacy of Soviet rule in the latter.

Asia's other recent experiments with political liberalization or democratization are question marks. Political life in Cambodia has deteriorated sharply since the U.N.-sponsored 1993 elections, with widespread human rights abuses and large-scale government corruption. Political tensions are high in Pakistan following the ouster of Prime Minister Benazir Bhutto in November amid charges of corruption and abuse of power. Bangladesh seemed headed for a return to military rule early last year but held legitimate elections in June and for the time being continues with an elected government. Casting its shadow over democracy's prospects throughout Asia is China, the first Asian case of backtracking from the liberalization of the late 1980s.

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STRONGMEN IN NEW CLOTHING

DEMOCRATIZATION'S STALL is serious but not fatal. It is significant enough that pessimists can claim it proves the fragility of democracy, the rise of political chaos, and the imperfectibility of man. On the other hand, it is sufficiently limited that optimists can say it is merely an expected "market correction" that does not undermine the longer-term global movement toward democracy. Democratic stagnation and retrenchment are likely to continue in many countries but without broadening to such a degree as to settle the debate between pessimists and optimists—a debate, in any case, rooted as much in clashing political faiths as empirical realities.

Although the new countermovement away from democracy is still emerging, its impact clearly varies by region. Stagnation and retrenchment have been only moderate in regions with relatively strong historical sociopolitical ties to the Western industrialized democracies—Latin America, Central Europe, and the Baltic states—and in East Asia, the one region of the developing world that has enjoyed sustained economic growth. But the toll has been heavy elsewhere—the former Soviet Union, sub-Saharan Africa, the Middle East, and southeastern Europe. What appeared to many enthusiasts a few years back to be a grand unifying movement may, at least over the next several decades, heighten the political divide between the Western world (including Latin America, Eastern Europe, and parts of the former Soviet Union) and the non-Western one. This is not a prophecy of a clash of civilizations but a warning against facile universalism.

Despite the diversity of the countries in which democracy has stagnated or been rolled back, most have ended up in a similar state—not with full-fledged dictatorships but with a particular style of semiauthoritarian regime. Their leaders act on authoritarian instincts and habits, usually developed during a lifetime under dictatorship. Yet in recent years they have been exposed to the heady international side of democratic transitions—the visits of senior officials from powerful countries and prestigious multilateral organizations, the expanded flows of aid and investment, and the favorable stories in the Western press. They come to crave the attention, approval, and money that they know democracy attracts from the Western international

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community. As a result, their rule becomes a balancing act in which they impose enough repression to keep their opponents weak and maintain their own power while adhering to enough democratic formalities that they might just pass themselves off as democrats.

In this ambiguous climate, opposition groups have some latitude but little real strength, newspapers and radio offer independent voices but television is state-dominated, trade unions are permitted but the government co-opts them, elections are plausible but preceded by campaigns in which incumbents enjoy huge advantages of resources and media time, the legislature contains heterogeneous forces but possesses minimal authority, and the judiciary operates with some independence at the local level but is politically controlled at the top. The many new semiauthoritarian regimes are often highly personalistic, although the leaders draw their power from entrenched economic and political structures. The regimes usually depend on their militaries or internal security forces to ensure political stability but are not military regimes per se. The leaders rarely articulate much in the way of conservative or liberal ideology, relying on opportunistic nationalism and populism to sway the people.

Many strongmen try to keep up just enough of the formalities to pass as democrats.

In some countries, particularly in Central Asia and sub-Saharan Africa, strongmen have given up the pretense of presenting themselves to the world as democrats and claim to be practicing Asian-style "soft authoritarianism" à la Singapore or Malaysia. A strong hand is necessary for national development, they insist, and democracy can come only after development. This line is often popular, at least at first, in countries where flailing pluralistic governments and the increased crime, corruption, and poverty that frequently follow political openings have left citizens disillusioned. The Singapore model also has appeal among Western advisers and observers, many of whom wonder whether developing countries are "ready for democracy" and believe, without admitting to it, that a strong hand is just what is needed.

Few if any of the many newly established or reestablished semi-authoritarian regimes, however, bear much resemblance to the soft authoritarian governments of Asia. Rather than building up merito-

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cratic civil services, the new semiauthoritarians usually indulge in rampant patronage. Rather than investing heavily in education and trying to minimize inequality, they fritter away scarce revenues on pet projects of dubious value and allow elites to increase their already disproportionate share of the national wealth. In place of discipline and seriousness of national purpose they offer disguised improvisation and pompous rhetoric. In the end, arguments for development before democracy are little more than attempted cover for the dictatorial ambitions of autocrats like Islam Karimov of Uzbekistan and Henri Konan-Bédié of Côte d'Ivoire.

The emptiness of their pretensions underlines the fact that no positive alternative to democracy has yet emerged in the post–Cold War world. Soft authoritarianism is still practiced in only a handful of states. Democratic retrenchment is not the consequence of the spreading allure of Asian-style authoritarianism or of any newer competitor to democracy; it offers only variations on old, unproductive patterns of authoritarianism.

BOOM AND BUST

WITH ITS startling pace and unexpected breadth, the democratic trend of the 1980s and early 1990s seemed to sweep away decades of research on how democracy develops. Democratic transitions popped up in the most unexpected places, apparently depending on remarkably little—not the political history or culture of a country, literacy levels, the existence of a middle class, or the level or distribution of wealth. So long as the elites in a country embraced the democratic ideal—something elites everywhere seemed to be doing—democracy would spring into being. In the space of a few years, democracy appeared to go from the political equivalent of an arcane religious faith, attainable only after laborious study, to a pop religion spread through televangelism and mass baptisms.

At the enthusiasm's height, Western observers proclaimed every country attempting a political opening, no matter how partial, "in transition to democracy." Stagnation and retrenchment have brought them back to earth. Above all, the backsliding makes clear how difficult democracy is to achieve. The leading cause in many instances is as

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straightforward as it is inescapable: elites are able to reconsolidate their rule after a political opening because of the political and economic resources they command and the weakness of fledgling opposition forces.

In some societies, especially in Central Europe and South America, openings involved real shifts in the basic configuration of power following delegitimation of old structures or mass popular mobilization. Yet in many cases the openings were highly controlled and top-down, reflecting ruling elites' desire to relieve rising pressure for change or to impress Western governments rather than a commitment to cede significant authority. Breaking down the entrenched antidemocratic power structures common around the world and preventing new leaders from falling into bad old habits have proved perplexing tasks.

What seemed a unifying movement may further divide the Western from the non-Western world.

Recent events highlight the folly of ignoring the broad set of social, political, and economic factors bearing on democratization. There is certainly no list of absolute preconditions for democracy. Yet neither are all countries equally likely to manage to establish a pluralistic, open political life in the next several decades. Per capita income at least in the middle range helps. So does past experience with multiparty politics and other democratic practices. Finally, being part of a region that looks to the Western industrialized countries for social and political models or that seeks integration with the West aids countries embarked on a democratic experiment. No country's culture, history, or economic circumstances bar it from democracy. Poor nations far from Western influence and with no history of political pluralism or openness may well succeed in making themselves democratic. But relatively affluent countries that have had some experience with political liberalization and that identify closely with the West will have a much better chance.

The political strains that market reform has created are a factor that one might expect to provoke democratic stagnation and retrenchment. When in the late 1980s and early 1990s many countries began to implement economic and political liberalization programs simultaneously, a large group of observers, particularly critics of the "Washington consensus" on market reform, questioned the feasibility of the under-

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taking. They pointed to the numerous short-term pressures that economic liberalization programs typically generate—heightened unemployment, rising prices for basic foodstuffs and other previously subsidized goods, and increases in poverty and inequality—and asked whether fragile newly elected governments would be able to cope.

Such strains are apparent in almost every society that has implemented market reforms, and they will unquestionably make the consolidation of democracy that much more complicated. They do not, however, appear to have been a major cause of the political backtracking of the last several years. Backsliding has not been concentrated in countries undergoing economic liberalization. If anything, serious market reform programs are more common in regions where democratization is generally not retreating—Central Europe, the Baltic states, South America, and East Asia—than in ones where it is. Moreover, in countries in which retrenchment has coincided with attempted market transitions, like Zambia, Albania, and Slovakia, it has been mainly a matter of rulers indulging their authoritarian tendencies, not of rising popular pressures overwhelming weak democratic institutions.

MODEST CONTRIBUTIONS

DURING THE first Clinton administration, the president and his top foreign policy aides held out democratic "enlargement" as a guiding principle of their foreign policy. The experience of those years with respect to democracy around the world, however, was as much contraction as enlargement. This uncomfortable fact was absent from administration talk about foreign policy. Officials repeatedly hailed a few prominent examples of democratic progress—Haiti, Russia, and South Africa—and all but ignored the many cases of stagnation and retrenchment.

Some, seeing the political backsliding as a yardstick of failure, may be tempted to blame the Clinton administration for democracy's problems abroad. Such a view, however, relies on the same flawed assumption that has underlain Clinton dogma—that U.S. policy is significantly responsible for democracy's advance or retreat in the world. In fact, only in a very limited number of cases is the United States able to mobilize sufficient economic and political resources to have a major impact on the

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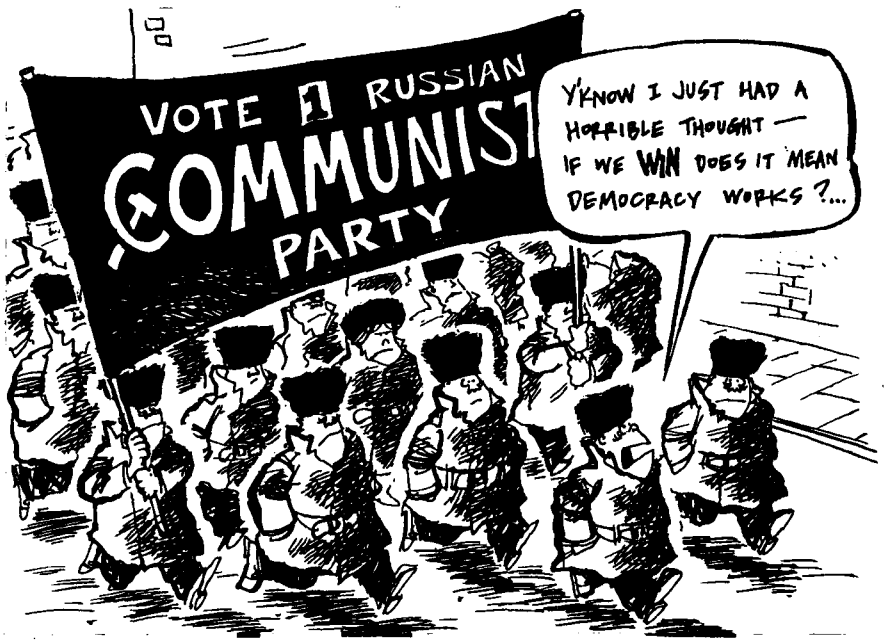

LEAHY/CARTOONISTS & WRITERS

political course of other countries. The Clinton administration, like the Bush administration before it, has played a reasonably active supporting role for the cause of democracy beyond U.S. borders. In many countries, Washington's diplomatic encouragement and material aid to democratic reformers have made a modest contribution to democratic progress. In a few countries, the United States' role has even been quite significant. American support for Boris Yeltsin since 1991 has helped him survive politically and thus helped Russia keep to the path of reform, although the Clinton administration let Yeltsin off too easy on Moscow's war in Chechnya. U.S. diplomatic and economic support for reformers in Ukraine has bolstered that country's shaky efforts to achieve democracy and capitalism. Although triggered more by politics at home than a desire to promote democracy abroad, the U.S. intervention in Haiti made pluralism possible there. Clinton administration opposition to attempted military coups in Latin America, such as those in Guatemala and Paraguay, has helped discourage democratic reversals in that region.

At the same time, the U.S. government could have done more for democracy in some countries without sacrificing countervailing interests. In Bosnia last year, the administration failed to enforce the provisions of the 1995 Dayton agreement strongly enough to ensure free

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and fair elections. U.S. policy toward Croatia and Serbia has not sufficiently emphasized the importance of pluralism for long-term peace in the Balkans. It appears the administration will allow President Levon Ter-Petrosian of Armenia to get away with his sabotage of the recent presidential elections and continue reaping the political benefits of being a leading recipient of U.S. aid. In Kazakstan, the U.S. government talked a great deal in the early 1990s about promoting democracy but raised few protests when President Nazarbayev began dispensing with democratic niceties. And in Albania, the administration failed to anticipate and was slow to react to President Sali Berisha's undermining of parliamentary elections last May.

The administration hailed South Africa and Haiti and ignored backsliding elsewhere.

Clinton's critics, with some cause, long for greater muscularity and decisiveness in foreign policy. But even if renewed along those lines, U.S. policy will not change the basic course of events in Uzbekistan, Azerbaijan, Chad, Algeria, Bangladesh, Bulgaria, or most of the other countries in which political openings or transitions have been troubled or truncated. Moreover, the pattern of much of the recent democratic slippage makes a productive response more difficult. In most cases there has been no sharp, highly visible break, such as a military coup, to attract outsiders' attention and spur interested countries to action. Instead, there have been intermittent negative signals of varying severity and clarity: a problematic but not openly fraudulent election, sporadic harassment of outspoken journalists, increasing reports of government corruption and arbitrary behavior, the dismissal of moderate reformers from the cabinet.

Countries where such patterns are unfolding make poor targets for campaigns of foreign pressure based on economic sanctions or the withholding of foreign aid. Western donors have difficulty agreeing on such campaigns even in drastic circumstances; they are highly unlikely to do so in response to partial political backsliding. Nor does the specter of greater economic hardship for the masses move most budding authoritarians faced with relinquishing any of their power; they and their biggest supporters are usually the last to suffer. Aid conditionality has worked best when focused on a single major goal, as when donors in 1992

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pressured then-President H. Kamuzu Banda to hold a national referendum on Malawi's future political structure. Such goals are hard to pinpoint in the gradual slide that has characterized recent retrenchments.

Assistance programs specifically designed to strengthen democratic processes and institutions have also proved to be a problematic response to retrenchment. Democracy-related assistance, which has become a valuable component of the foreign aid of the United States and many other Western democracies over the last ten years, can help countries that are moving toward democracy make more rapid, effective transitions. But when the host government is not genuinely committed to reform, such aid is undermined. It may keep besieged opposition groups and civic organizations alive but cannot be expected to change the overall direction of politics. In many retrenching countries, the United States and other Western donors have closed down most of their democracy-related programs because of legitimate concerns about wasting funds, legitimating the illegitimate, or being associated with a failure.

REVISITING INTERESTS

RISING DEMOCRATIC stagnation and retrenchment forces the U.S. government to reexamine questions not only of how much the United States can actually foster democracy abroad but of how strong its interests in the matter actually are. The Clinton administration implies that America has a blanket interest in the promotion of democracy abroad, but such a policy line runs up against increasingly harsh realities these days.

During the Cold War, Washington frequently subordinated its interest in democracy and human rights abroad to the dominant goal of opposing communism. As the Cold War ended, the attractive idea gained ground in the policy community that U.S. moral and pragmatic interests abroad were fusing; thus the promotion of democracy would now complement rather than conflict with national economic and security interests. Washington still had relationships with so-called friendly tyrants, as in the Persian Gulf states, but these seemed to be a holdover and generally on the decline. In some regions, a convergence of U.S. policy interests is indeed occurring. With regard to

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Latin America, for example, nearly all arms of the U.S. government, with the possible exception of unreconstructed elements in the intelligence agencies, now accept that democratic governments are more favorable than repressive military leaders for U.S. economic, security, and political interests alike.

Yet the rise in retrenchment makes clear that tradeoffs between U.S. ideals and interests abroad are not fading away and may even be multiplying. Since the 1993 coup in Nigeria, the Clinton administration has shied away from pushing democracy there, mindful that Nigeria is a major supplier of oil to the United States and that a unilateral U.S. embargo on Nigerian oil would end up benefiting European oil companies and causing little economic harm to Nigeria. The muted response to Kazakstan's move toward authoritarianism reflects recognition of President Nazarbayev's cooperation in making his country nuclear-weapons-free and his support for enormous private American investments in the Kazak oilfields. In Croatia, the administration raises little fuss about President Franjo Tudjman's repressive ways, at least in part because he has backed U.S. policy on Bosnia. In some countries, moreover, U.S. policymakers fear that pushing for democracy entails unacceptable risks for the inhabitants. The violence in Rwanda and Burundi shows how catastrophically wrong political openings can go in ethnically riven societies.

In some cases, and especially with the last group, subordinating the desire for democracy is a reasonable decision given the nature of the other interests at stake. In other cases, however, such as in the Balkans and parts of the former Soviet Union, the U.S. government shows signs of slipping back into favoring friendly tyrants for the wrong reasons—because they appear to be men of action, because they are willing to do its bidding, and because they are good at flattering high-level visitors.

DOWN TO EARTH

RECENT EVENTS do not negate the fact that in this century the world has experienced a broad trend toward democracy, of which the upswing of the last 20 years is a crucial part. The current retrenchment is not a widespread reversal of the overall democratic trend, nor does

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it announce some rising contender to the liberal democratic model. Nonetheless, the reality of retrenchment is stripping away the illusions that have surrounded the pro-democratic enterprise of recent years. It has exposed the chimera of instantaneous democracy, revealing the difficulties and the significant chance of failure in democratic transitions. Similarly, although there is no fixed set of preconditions and democracy is certainly not an exclusively Western province, the pattern of retrenchment shows that factors such as the level of affluence, experience with pluralism, and the degree of Western sociopolitical influence are relevant to democracy's prospects in a particular society. Finally, retrenchment has undermined the seductive idea that the spread of democracy will rapidly efface basic political differences between established Western democracies and governments in non-Western regions. Democratization will not be an end-of-the-century global deliverance from the strife, repression, and venality that afflict political life in so many parts of the world.

The new political tide does not mean that democracy promotion will cease to be an important part of a post–Cold War U.S. foreign policy. U.S. ideals and interests abroad often converge around democracy, and the United States is a much more credible advocate for democracy now that it is not engaged in the superpower rivalry. Yet retrenchment is a sobering tonic for U.S. policymakers and pundits who made overreaching claims for America's influence on the political direction of other countries. The shedding of illusions is painful but potentially beneficial. It may help the second Clinton administration bring its rhetoric into line with reality on this front and drop the unproductive quest to unify American foreign policy around a single sweeping idea.The debates of recent years over a new organizing concept that can fill the void left by containment's demise must give way to the recognition that only a course marked by steady presidential engagement, serious strategic focus, and substantial resource commitments can produce a foreign policy that commands Americans' support and the world's respect.

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Latin America's Crisis of Representation

Jorge I. Domínguez

AN OBSESSION WITH FAILURE?

LATIN AMERICA could once have been described as the land of the unfree and the home of the coup. Yet since 1976 in the Spanish-American countries and Brazil, no civilian constitutional president elected in free and fair elections has been overthrown by the armed forces. And fair elections now occur regularly in countries where they were once rare.

During the 1980s, despite growth in the world economy, most Latin American economies performed dismally. The region's combined per capita GDP fell about eight percent during that decade; only Colombia and Chile posted meager economic gains. However, in the first half of the 1990s, despite a recession in the United States, there was growth in per capita GDP in Brazil and all the Spanish-American countries except Mexico, Cuba, and Nicaragua. In the late 1980s and early 1990s, incumbent political parties in Latin America were defeated at least once in nearly every country that held free and fair elections. In the mid-1990s, the electorates have rewarded the good performance of various politicians with reelection, particularly noteworthy in the cases of Argentina, Brazil, and Chile.

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And yet a persistent fear haunts the region, what the economist Albert Hirschman once called *fracasomanía* or an obsession with failure. Many still believe that economic success is ephemeral and that democracy's worst enemies are the politicians who claim to speak in its name. There is also a sense that levels of official corruption are intolerably high, as evidenced in the 1990s by the impeachments of President Fernando Collor de Melo in Brazil and President Carlos Andrés Pérez in Venezuela, by the drug money-laundering allegations that have plagued the administration of President Ernesto Samper in Colombia, and by the grave accusations against the brother of President Carlos Salinas de Gortari in Mexico. The fact that Presidents Collor, Pérez, and Salinas had portrayed themselves as crusading reformers early in their administrations has only fueled skepticism about new proponents of reform.

This skepticism, to be sure, is long-standing. Decades ago, the Brazilian author Jorge Amado, in his renowned novel *Gabriela: Cravo e canela*, commented on the dismal prospects for political reform through conversations between young would-be reformers in the small town of Ilhéus. One says to another, "You'll earn twice as much if you get into politics and change the existing situation." Reformers, this political tradition suggests, are crooks waiting in the opposition.

There are fundamental changes under way in Latin America, but these changes are producing complex, contentious, and sometimes contradictory outcomes. Consequently, today's Latin America ought to be analyzed neither as an exemplar of how governments fail, nor as the new beacon of democratic prosperity. Instead, we should focus on the crisis in representation. This crisis consists of a series of pressing questions: How can a diverse public shape the choice of rulers and policies? How can political parties reduce the likelihood of social violence and increase the prospects for consolidating democracy? How can new opposition voices reshape the terms of public debate? How will these countries defend the constitutional rights of the weak—especially indigenous peoples and workers—and make their legislatures more effective? How will military coup attempts become less likely? And what steps can be taken to strengthen the deepening connection between democratic politics and market reforms? Though daunting, the conflicts and struggles Latin America is undergoing are steps any country must take on the path to democracy.

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PRACTICING DEMOCRACY

DURING THE 1980S, most parties associated with outgoing military regimes were punished relentlessly at the voting booth. This fate befell even the Chilean conservative parties at the end of Augusto Pinochet's dictatorship, despite a good record of economic growth in the late 1980s. In countries where no major parties supported the military regime, voters chose the opposition party most distant from the unpopular incumbents. This was one important reason why in 1983 Argentina's Radical Civic Union elected Raúl Alfonsín as the nation's president—the only time the Radicals beat the Peronistas for the presidency since Juan Perón first ran for office in 1946.

Elections have also punished political parties that were elected as the standard-bearers of political reform but sinned through corruption once in power. The defeat of the Dominican Revolutionary Party in 1986, the Christian Democrats in El Salvador in 1989 and in Guatemala in 1990, the American Popular Revolutionary Alliance in Peru in 1990, and the Acción Democrática in Venezuela in 1993 were all in part due to voter retribution for such failures.

Poor economic conditions have been a third source of electoral defeat. They were certainly a factor in the defeat of the Radical Party in Argentina in 1989, as well as the above-mentioned defeats in El Salvador, Guatemala, Peru, and Venezuela. Economic issues weakened every incumbent Brazilian president since the end of military rule in 1985 and paved the way in Panama for the 1994 presidential election victory of the Democratic Revolutionary Party once associated with deposed General Manuel Noriega.

The strongest explanation for partisan defeat is prior association with military dictatorship, but all three explanations clearly have played a role. The defeat of incumbent parties for any of these reasons is not only understandable but laudable. Indeed, it is the essence of democratic politics that voters turn out those officeholders of whose conduct or performance they disapprove. If the reasons for these parties' defeat give cause to worry about democracy's performance in the region, then the way these parties were defeated is reason to believe the instruments of democracy serve the peoples' needs.

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By definition, all new parties are born in dissent. Their leaders and followers claim that existing parties no longer represent them. In Latin America, the revolt against established parties has at times begun literally in rebellion, but most of these rebellions are now consigned to history. Never before in the twentieth-century have so many of Latin America's political parties been the offspring of paramilitary or guerrilla organizations. The new parties differ in many ways but share one important trait: their founders once used violence to attempt to overthrow the government or dispose of their adversaries. The transformation of military movements into political parties is best explained as a slow, rational process through which exhausted leaders and followers conclude that gaining power through politics is less costly than gaining it through war.

Never before have so many Latin American parties been military offspring.

This process of turning warriors into peacemakers began with Venezuelan leftists in the 1960s. Venezuela's Movimiento al Socialismo (MAS) traces its origins in part to the Venezuelan Communist Party's decision in 1967 to abandon the guerrilla warfare conducted against Venezuela's governments. In subsequent decades the MAS won a respected place among Venezuela's democratic parties, and today it is part of the country's governing coalition. Other examples from the left include the demobilization of the M-19 guerrilla group in Colombia in 1989 to found the Alianza Democrática party, the conversion of El Salvador's Farabundo Martí National Liberation Front guerrillas into a political party in 1992, and the transformation of Nicaragua's Sandinistas into a viable party capable of a strong second-place showing in the October 1996 elections.

On the right, it is only a slight exaggeration to argue that El Salvador's Nationalist Republican Alliance (ARENA) was the child of a marriage between death squads and a segment of the business community. Roberto D'Aubuisson, a key figure in death squad activities in the late 1970s and early 1980s, became ARENA's equally significant leader until his death in 1991. Yet in the 1990s the ARENA party has been a co-architect of El Salvador's pacification, democratization, and return to economic growth. In Argentina, former

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military officers—even former leaders of failed coups against constitutional government—have founded political parties and run for elective office.

All of these forces born in violence once painfully symbolized the region's crisis of representation. Today they show the way toward hoped-for stability in Guatemala, Colombia, and Peru. These new parties still voice the belief that the establishment parties do not represent the masses, but they now seek to test that proposition through ballots, not bullets.

NEW VOICES OF DISSENT

THE REORIENTATION of Latin American economies has often required that politicians and parties jettison their past support for pervasive state intervention in the economy and implement market-oriented policies. This historic shift is one explanation for the recent economic resurgence of most countries in the region. But the reforms that some hail as effective learning and praiseworthy maturity are the betrayal of long-standing commitments to others.

In some cases, the implementation of market-oriented policies occurred over a period of years, enabling the public to adjust to the new ideological landscape. By modifying their beliefs and programs gradually and publicly, these parties and politicians educated their constituencies along the way and tested voter support.

In other places, the change toward market-oriented policies was more sudden, unexpected, and, to some degree, covert. At the top of this list stand Argentina's President Carlos Saúl Menem and the Peronistas—a politician who embodied the past and the party that designed Argentina's statist economic policies. Menem's presidential campaign in 1989 gave little hint that, once elected, he would become a champion privatizer. Almost as surprising was Carlos Andrés Pérez, whose lavish expenditures as Venezuela's president in the 1970s gave new meaning to the word "extravagance," born again as an apostle of structural adjustment and pro-market policies upon his election in 1989.

In response to these changes in ideology and economic policy, new parties have arisen and attracted nationwide support. Two trends encouraged these new parties. First, the pre-existing party establish-

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ment sought to strengthen its position, thereby reducing the space for alternative political voices. Simultaneously, the leading political party on the left veered sharply toward pro-market policies, seemingly betraying the public trust and generating a secession on its left as the would-be founders of new parties and their followers exited. The new parties gained electorally as citizens expressed their discontent with the status quo by voting against establishment parties.

In Argentina, Mexico, Uruguay, and Venezuela, the emergence of new parties has been in part a response to what some perceived as national party arrogance and an apparently self-perpetuating leadership. The number of parties long perceived as capable of winning a presidential election was either one, in Mexico, or two, in Argentina, Uruguay, and Venezuela. Moreover, party leaders and organizations in these countries sought to regulate electoral competition in order to enforce party discipline in legislative assemblies and executive posts. The party closest to the left made a substantial ideological shift toward the right, commonly seen as a betrayal among key constituents and activists.

New Latin American parties have gained nationwide support.

In Venezuela, a coalition of new parties won the presidency in 1993. This was the first time that the two national parties that had governed Venezuela since the establishment of the democratic system in 1958 had been shut out of the presidency. In Argentina, a coalition of new parties placed a strong second in the 1995 presidential elections, the first time in a century that the Radicals had not come in first or second. In Uruguay in 1994, the left coalition virtually tied the two long-dominant parties, positioning itself for greater influence than ever. And in Mexico, the new Party of the Democratic Revolution and the much stronger National Action Party threaten to end the Institutional Revolutionary Party's long hold on government.

In each case, the perceived attempt to narrow representational possibilities amid a major ideological shift triggered the birth of new parties. These new parties are both a creative democratic response to crises of representation and a protest against many of the policies that have been required to rebuild Latin America in recent years. The good news is that democratic instruments are employed to contest those

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who have attempted to remake the economy. The even better news is that some of the leaders of these electoral and partisan oppositions do not necessarily challenge the new pro-market orientation but promise to make such policies more efficient while improving government performance in education, health, and infrastructure. However, the motivation of many voters for supporting these new parties stems from a wider rejection of the new pro-market political economy.

LIVING UP TO YOUR CONSTITUTION

LATIN AMERICA'S near-universal process of democratization has lifted the covers on one of the world's political puzzles: Why has Latin America been the only racially and linguistically heterogeneous part of the world where enduring national political parties based on race, ethnicity, or language have been virtually nonexistent? The January 1994 uprising in Chiapas, Mexico, suggests a possible historic shift in this situation. Indeed, in Bolivia, Ecuador, Guatemala, and Mexico, indigenous peoples have begun to organize for collective action in national social movements and political parties.

The laudable goal of representing the rights of those who have been ignored for centuries has been accompanied by the elites' growing concern over national integration and social cohesion. The curtailment of government subsidies has increased the burden on indigenous peoples. Lacking market access, financial credit, and modern technology, indigenous peoples have found the implementation of pro-market policies particularly difficult. This crisis of representation is not new, and it has been made more severe in recent years. But there is a reasonable basis for the hope that—except in Chiapas—the new movements and parties will use the instruments of democracy to call fellow citizens to honor the promises of the constitution for everyone.

Latin America's new market-oriented economic policies require more flexible labor markets to improve the efficiency and competitiveness of its economies. One consequence of the economic policy reorientation has been an extraordinary challenge to the once-powerful labor movements of the region. Popular democratic representation requires a well-organized and articulate labor movement, capable of functioning in a market economy and standing up for the rights of

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workers. Democratic politics requires contestation between organized forces; democracy would be wounded if there were no appropriate counterparts to business power.

The Chilean organized labor movement is but a shadow of its predecessor a quarter-century ago. Peru's labor movement, never strong, has been battered by the country's natural and man-made catastrophes of the past decade—at times perceiving President Alberto Fujimori's pro-market policies as akin to another cholera epidemic. Mexico's official labor movement is having considerable difficulty discerning the economic future; organizational innovation has come principally from labor leaders far removed from the leadership in the established federations. Venezuela's powerful and centralized labor movement has resisted most significant changes in economic policy.

Though the reasons vary, the role of parliaments and the quality of executive-legislative relations still widely fail to foster the consolidation of democracy in the region. In Chile, one-fifth of the Senate is appointed by a small circle of officeholders—a gross violation of democratic practices. In Mexico, the legacy of one-party rule has crippled a legislature that looks strong mainly on paper. In Brazil, the 1988 constitution continues to overrepresent small rural states in both chambers of the National Congress, at sharp variance with expectations about popular representation proportionate to population in at least one chamber.

Compared to the national legislatures of Brazil, Ecuador, Colombia, and Honduras, the U.S. Congress is a model of democratic responsiveness, party discipline, member responsibility, policy attention, and coherence. The clientelistic party systems of these four countries are characterized by party fragmentation, personalism, patronage, and, in Brazil and Ecuador, a stunning lack of party loyalty on the part of legislators and voters. Party indiscipline is especially stark when politicians desert the parties on whose tickets they ran, as a majority of Brazilian members of Congress have done since the restoration of civilian government in 1985. In Ecuador, a comparable proportion of congressional members have changed parties since 1979. In both countries, as many as a third of the legislators cross the aisle during one term of office.

When parties fail to articulate the interests of their constituents at a programmatic level, voter apathy and social violence can increase.

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Peaceful collective action is difficult when power is dispersed among many parties, as in Brazil and Ecuador; even where parties are fewer, fragmentation within parties and a lack of discipline frequently results in a factionalism that is equally paralyzing. Legislators pursue pork-barrel objectives almost exclusively. Presidents, in turn, employ patronage to co-opt the opposition, weaken congressional supervision over executive policies, and lull legislators into permitting the use of presidential power of decree. Presidentialism—rule by decree—is the natural offspring of such practices.

Nevertheless, there have been some modest improvements, especially in countries with little history of congressional assertiveness. For the first time, El Salvador's National Assembly, representing all of the country's political forces, plays a role in oversight. Likewise, Mexico's Congress has begun to question the executive more systematically. Also in the 1990s, albeit after excruciating difficulties, Nicaragua's National Constituent Assembly produced legislation to address some of the country's ills. After the 1993 national elections, Paraguay found itself with a divided government for the first time in history; its president and National Congress have learned to bargain over important legislation and Supreme Court appointments.

The most remarkable improvements occurred in Bolivia in the mid-1980s. Bolivia had been a textbook example of a weak, fragmented party system that permitted the military and, later, drug traffickers to wield political influence. In 1985 Bolivian politicians responded with inventiveness and creativity to stop hyperinflation. They have been able not only to form coalitions to contest presidential elections but also to fashion reliable congressional governing majorities. The same parties and politicians that brought the country near its grave made its resurrection possible.

All of these countries are still far from meeting the standards for effective democratic governance set by their own constitutions, but their progress points to a hopeful trend.

THE SUPREME CRISIS OF REPRESENTATION

SINCE THE mid-1980s, there have been three types of military assault on constitutional government—the supreme crisis of representation. One, seen in 1991 in Haiti, is the overthrow of the civilian gov-

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ernment by the high command of the armed forces. This practice was common in much of South America and Central America from the mid-1960s to the mid-1980s, but it has since disappeared in all the Spanish-speaking countries and Brazil. In the 1980s this was the principal means of rotating rulers under authoritarian regimes. In the 1980s and 1990s, the less professional the military, the more likely that its high command would attempt to overthrow the government—the opposite of the pattern that prevailed in the 1960s and 1970s.

In several countries with professional armed forces, however, there have been military mutinies against constitutional governments in the late 1980s and 1990s. These revolts were led by disgruntled middle-ranking officers in Argentina, Ecuador, Guatemala, Panama, and Venezuela; each of these countries except Panama has seen at least two attempts in these years. The motivations for the coups varied. In Argentina and Panama, they resulted from the downsizing of the security forces. In Argentina, Ecuador, and Venezuela, ambitious and popular officers led the coup effort. In Guatemala, elites' opposition to tax policies played a role. A common aspect of these mutinies was that they were aimed at the high command as much as at the constitutional government. Consequently, the ability to maintain civilian control was shaken since the generals could no longer ensure the loyalty of the lower ranks. A decline in professionalism increased the likelihood of coup attempts. All of these attempts failed in the end because they were opposed by the military high command and because civilian politicians closed ranks in support of constitutional government.

Finally, a grave threat to constitutional government can come from a coup led by an elected civilian president against the congress, courts, parties, and all vehicles that help civil society seek advocacy and representation for its interests. Pioneered in Uruguay in the early 1930s, this pattern is associated in the 1990s with Peru's President Alberto Fujimori. Thus far only Guatemala's former president, Jorge Serrano, has attempted to emulate Fujimori, without success. In these cases, the presidents claimed that extensive corruption in congress caused gridlock and the pursuit of illicit objectives at the expense of the public interest. These presidents thus called on the military to establish a temporary civilian dictatorship. This pattern of coup-making is worrisome, even if it has succeeded recently in only one

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country, because the problems of corruption and gridlock are real, and disenchantment with the performance of constitutional government has been widespread.

The aftermath of Fujimori's coup made his suspension of constitutional government especially appealing to authoritarians. The economic reforms initiated in Peru in the early 1990s before the coup finally began to bear fruit after the coup, while good police work led to the capture of Abimael Guzmán, the founder and longtime leader of the Sendero Luminoso insurgency. Though both outcomes might have occurred without a coup, Fujimori claimed that his anti-constitutional act was decisive. Right after the coup, the Organization of American States (with strong backing from the United States) pressured Fujimori into calling internationally supervised elections for a constituent assembly and eventually for all offices. In April 1995 Fujimori was reelected president by a strong majority.

The "supply" and "demand" for coups in Latin America is at an all-time low.

This combination of circumstances suggests the potential appeal of a caesar who proclaims the need for a temporary interruption of constitutional government to save the country and constitutionalism in the long run. The problem, of course, is that such interruptions are usually not short-lived. Fujimori's economic and military policies, together with his acquiescence to international pressure, may have had the paradoxical effect of making a "Fujimorazo" more appealing than ever imagined: he fulfilled the promise of a short and effective dictatorship.

On balance, the barriers to successful military coups rose in Latin America in the 1980s and 1990s. The "demand" for coups has been constrained by the generally disastrous performance of military rulers in the late 1970s and early 1980s. The economies of most Latin American countries collapsed when military presidents governed. The military lost the reputation for competence beyond its specific professional sphere. The strength of parties on the democratic right has also reduced the demand for coups. Such parties, or parties allied with the right, have proven far more effective than observers once anticipated. As the 1990s began, elected parties or coalitions with strong support from the right governed in every Central American country. Business

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elites no longer need to rely on military coups to advance their objectives. Today the parties they support are influential and effective under civilian rule. Big business now has few incentives to knock on the barracks door to alter national economic policy.

The "supply" of coup-makers has also been limited. Military officers recall their frustration, unpreparedness, and loss of military professionalism when they attempted to run the government. The new challenge is to consolidate the military's constitutional role, that is, to reduce the excessive prerogatives of the armed forces in Honduras as in Brazil, in Chile as in Nicaragua. There is a pressing need to clarify the professional mission of the armed forces to uphold civilian authority at home, without provoking crises with neighboring countries. But though the task of establishing civilian control over the military remains daunting and the likelihood of coup attempts remains high, the prospects for continued constitutional government are better than at any time since the Great Depression of the 1930s.

TAKING DEMOCRACY TO MARKET

TO ADDRESS the crisis of representation and drive a stake through the heart of *fracasomanía*, many Latin American politicians have taken steps to wed market reforms to the consolidation of democracy. Market reforms—especially deregulation, privatization, and the termination of business subsidies—can serve the goals of democratic politics. Statist economic arrangements often foster close connections between economic and political elites, reducing the prospects for wider participation and fair competition. Market reforms can sever the ties between political and economic elites, narrow the opportunities for government corruption, and level the economic playing field. Ties to international markets provide foreign businesses and governments with leverage to defend constitutional government in the region; such leverage helped to thwart Jorge Serrano's attempt to mimic Fujimori. In the 1990s, foreign institutions have also used market power to prevent authoritarian reversals and to widen political opportunities in the Dominican Republic, Mexico, Paraguay, and Peru.

Democracy, in turn, can help consolidate a market economy. Would-be supporters of insurgencies or anti-dictatorship protests can find less

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costly alternatives to advance their interests within democratic politics. In addition, democratic regimes can involve the political opposition in support of a market economy more effectively than can authoritarian regimes. In Argentina and Chile in the early 1990s, for example, key decisions—Argentina's convertibility law governing monetary and exchange rate policies and Chile's tax laws—have resulted from agreement between the executive and congress; in some cases, controversial laws in these two countries have been approved by supermajorities drawn from both the government and opposition. Brazil's president, Fernando Henrique Cardoso, has been following a similar strategy to use democratic politics to make and consolidate broadly supported reforms.

By giving the opposition a voice and a vote in the creation of fundamental long-term policies, democratic regimes can lay the foundation for credible and stable rules. In these circumstances, investors can expect that today's rules will endure even if the opposition wins tomorrow's election. The democratic opposition is ultimately the chief guarantor of market reforms.

Many of the devices designed to maintain fiscal discipline, however, can barely meet the test of democracy, and the excessive reliance on presidential decrees weakens constitutionalism. The turn toward the market has also coincided with spectacular cases of corruption that led to the impeachment of presidents Collor in Brazil and Pérez in Venezuela. Concern about corruption looms large in Mexico and Colombia. But even presidential impeachments underline the increased reliance on constitutional procedures to remove presidents from office; years ago, it could have happened only through a military coup.

The shift in economic models has also contributed to the crisis in representation because parties have had to overhaul their economic programs and find new ways to gain support from their often surprised constituents. New parties and social movements have risen to protest these policies, invigorating democratic competition, to be sure, but also challenging the scope and durability of market reforms. Long-standing forms of representation—populist parties and so-called corporatist arrangements—have weakened precisely at the moment when public support must be found to help guarantee the stability of economic reforms and constitutional government, especially in Brazil, Mexico, and Venezuela.

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All in all, however, a connection between democracy and the market, to the benefit of both, has advanced much further in Latin American countries than most people would have suspected a decade ago. From El Salvador and Costa Rica to Argentina and Chile, democracy's capacity to set long-term rules, endorsed by the opposition as well as the government of the moment, holds the promise of persuading rational investors that these market environments will endure and prosper. Never before in Latin America's history could that be said.

EXITING BORGES' PARADOX

"LIKE ALL men in Babylon," Jorge Luis Borges wrote, "I have been a proconsul; like all, a slave. I have also known omnipotence, opprobrium, imprisonment." Such is the experience of many prominent Latin American politicians in the 1990s. Some, like President Menem of Argentina, spent years in prison under military government. Others, like President Cardoso of Brazil, spent years in exile during his country's period of military rule.

The task today is to banish slavery, opprobrium, and imprisonment without succumbing to the temptations of the omnipotent proconsul. The power of presidents and ministers to govern in Latin America at times can injure democratic practice, for it falsely presumes that the executive alone has been elected by the people. Slowly the countries of Latin America seek to emerge from Borges' paradox. They hope that, if current patterns continue, they can enter the new millennium celebrating the wedding of open markets and open politics.

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The West and the Middle East

Bernard Lewis

IS MODERNITY WESTERN?

In 1593 an Ottoman historian, Selaniki Mustafa Efendi, recorded the arrival in Istanbul of an English ambassador. He was not very interested in the ambassador, but he was much struck by the English ship in which the ambassador traveled. "A ship as strange as this has never entered the port of Istanbul," he wrote. "It crossed 3,700 miles of sea and carried 83 guns besides other weapons . . . It was a wonder of the age the like of which has not been seen or recorded."

Why was this sophisticated Istanbul historian so interested in a ship coming from a barely heard of island at what was then the wrong end of Europe? Selaniki Mustafa Efendi's wonderment is not that difficult to understand if one recalls what was happening at the time. The Portuguese had sailed around the Cape of Good Hope and were active in Eastern waters, to be followed not long after by the Dutch and the English. Portugal, one of the smallest and least populous of the nations of Western Europe, was able to establish a maritime and commercial paramountcy in South Asia which three great Muslim empires—the Ottoman, the Persian, and the Mogul Empire in India—were unable to prevent or reverse.

A hundred years later, as the seventeenth century drew to a close, the rulers of the Ottoman Empire—the dominant power in

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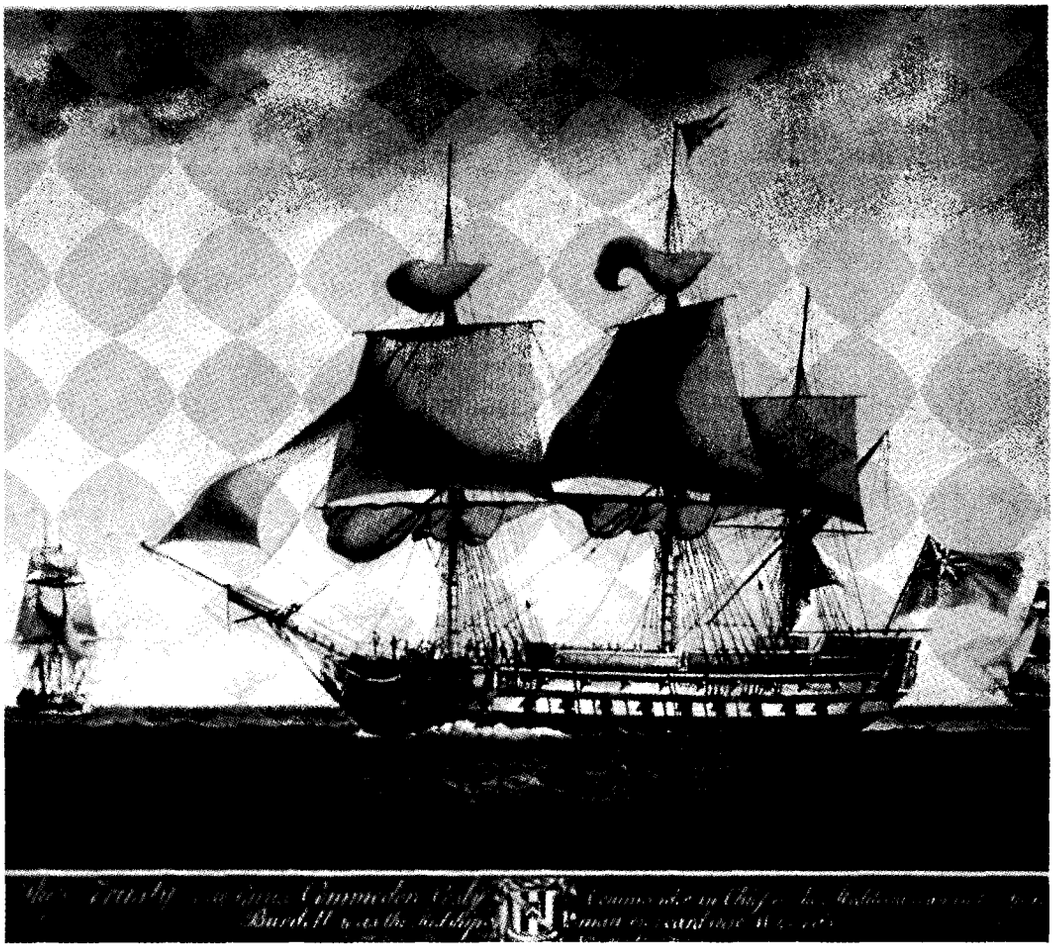

CHRISTIE'S

When the West ruled the waves: H.M.S. Trusty, *1787*

the Middle East, the shield and sword of Islam pointing toward Europe—were becoming aware of the countries beyond the northwest frontier as something other than an outer darkness of barbarism and unbelief. For a century and a half, the Ottomans and their Christian enemies had been locked in bloody stalemate in Central Europe. This was broken by the second Turkish siege of Vienna in 1683, which ended in failure and retreat. During that war, Ottoman forces for the first time suffered major reverses on the field of battle; the peace treaty of 1699 was the first a victorious enemy imposed on the Ottomans.

The West was now seen in a new light—as a source of danger and therefore, possibly, of inspiration. Ottoman military commanders soon realized that there were some things they had to adopt, adapt,

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copy, borrow, beg, buy, or steal in order to keep up with Western armies; weapons, certainly, and perhaps some other devices. The first lessons of civilizational change are most effectively and perspicuously administered on the battlefield. The others follow somewhat later, and often in a more ambiguous form.

What were the Ottoman reformers and other Muslim Middle Eastern rulers who followed their example looking for? What elements of Western modernity did they accept, and to what extent? In the Middle East the debate about this process and the decisions the process requires has been going on for almost three centuries, probably longer than in any other part of the non-Western world.

In his book *Among the Believers,* V.S. Naipaul observes that many present-day Muslim leaders see Western science and technology as a kind of celestial supermarket where they can come and buy, for money, the products they find useful, and reject those they do not want. Here, the word "reject," implying that one has a choice in relation to technological and sociological transfers, is, in part at least, a metaphor. It may mean to consider, evaluate, and refuse something that is offered. It also has a physiological sense, as in the body's acceptance or rejection of an alien transplant. The argument is increasingly heard in the Middle East that what the region's countries need is modernization without westernization—that is to say, accepting, or, rather, acquiring the products of Western material culture, perhaps also the science and technology that produced them, but without the cultural baggage and false values and depraved way of life attached to them.

All scientific method is comparative. To discuss these questions, it is necessary to make some comparisons, however invidious and unacceptable that may be in the last years of the twentieth century. We must compare the West and the Middle East as they were on the eve of modernity, and the Middle East before and after the West's impact. Finally, and in many ways most instructive, we must compare the Middle East with other non-Western regions affected by the West.

THE ASCENT OF THE WEST

THE SHIP that arrived in Istanbul is an early example of the West's characteristic long-range projection of power, and, too, of its spirit of

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inquiry and exploration, the latest phase of which—surely not the last—is a man on the moon and space probes beyond the solar system.

Practical explanations for the ability of the British, the Dutch, and the Portuguese to establish naval—and therefore imperial—supremacy over distant lands are not too difficult to find. They faced the challenge of the Atlantic, and of their European rivals. (The Moroccans also faced the challenge of the Atlantic, but they had their part of it to themselves.) The English, Dutch, French, Spanish, and Portuguese sharpened their naval skills on each other, and they developed ships with weaponry and maneuverability vastly superior to those available to Muslim powers.

The ships of the Eastern empires were built for the Mediterranean, the Red Sea, the Persian Gulf, the Indian Ocean. No one makes things stronger, bigger, and therefore more expensive than necessary, and Muslim ships were small, frail, and clumsy compared with vessels built to withstand northern seas and Atlantic gales. A relatively flimsy, simply rigged, lightly armed, sparsely manned ship of the Eastern empires was no match for a Portuguese carrack, which could carry much heavier armament.

The superiority of European ships was also important for commerce. Larger, more maneuverable vessels could carry bigger cargoes, faster, at lower prices. And they could offer the same advantages to passengers; by the eighteenth century, many Muslim pilgrims from India and Southeast Asia traveling to the holy places in western Arabia booked passage on European ships.

The peoples of the Middle East, and particularly the Turks, who were in the forefront, became increasingly aware of Western superiority demonstrated on the battlefield and in the marketplace. After seeing Western armies, previously despised, inflict one defeat after another on the hitherto invincible soldiers of Islam, Middle Easterners watched Western traders move quietly into markets which they had dominated.

In search of the reasons for the West's growing commercial success, let us return to Selaniki's ship, which brought Elizabeth I's envoy to the Ottoman sultan. Although the envoy was accredited by the queen, he was appointed and paid, and the embassy maintained, not by the Crown but by the Levant Company, a joint stock

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company established in England for the purpose of trading in the Levant. An English monarch of the late sixteenth century would have been unlikely to go to the trouble and expense of installing an embassy in Istanbul. But the Levant Company wanted one, and stepped in to arrange for this aid to its business. Though nominally the English, later British, embassy, it remained in effect the embassy of the Levant Company until the Napoleonic Wars, when the Crown deemed it time to take over.

The Middle East has been debating Western modernity for almost 300 years.

The great European trading corporations exemplified the harnessing of economic power, in their relations with government, in their structuring and managing of complex operations extending over vast areas, and, in particular, in their mobilization of credit, all on a scale undreamed of in earlier economies. The impact of this mercantilist marriage of government and business was not unlike what present-day Far Eastern powers have achieved, to the West's consternation.

The Levant Company, moreover, was a voluntary association—a group of people who had banded together because of shared beliefs, purposes, policies, interests, or projects. Relations in such associations are different from both the compulsory allegiance the ruled owe the ruler and the involuntary loyalty members owe the clan, the family, the sect, or the tribe. In most Middle Eastern and other non-Western societies this intermediate level did not exist; its emergence was a characteristically, and for a while almost an exclusively, Western phenomenon. Voluntary associations including groups as diverse as business corporations, trade unions, political parties, unestablished churches, independent colleges, clubs, and sports teams formed networks that developed into what is sometimes known as civil society.

The Levant Company ship illustrates yet another important feature of the Western world, an emphasis on harnessing energy. In traditional societies, Middle Eastern and other, the only source of energy besides human and animal muscle was the mill, using the power of water and, later, of wind. Mills are a tax-gatherer's delight; they are immovable, impossible to disguise, and, so long as they

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generate revenue, ripe for the taxing. They are also, for the same reasons, a historian's delight. Those who compile the archives on which historians must rely are primarily interested in money, so we have pretty good documentation on mills. The researches of Charles Issawi of Princeton University reveal that eleventh-century England, not long after the Norman Conquest, had more mills per capita than the central Ottoman lands at the height of the empire's power and glory.

The ambassador's conveyance was a sailing ship, but its rigging, of a far greater complexity than that of a typical Mediterranean coastal trader, enabled it to make better time in a fair wind, to escape a foul, and to find a breeze in a calm; it had to do all these to sail the Atlantic. The West developed other sources of energy, particularly wood, coal, and, later, oil, whose combustion provided power. The Middle East consumed its wood in antiquity and had little coal. It possessed immense quantities of oil, but it did not know how to extract or exploit that fuel until others came and showed it. Oil, I would say in passing, has proved at best a mixed blessing—some might even say a curse—for countries where it is found, in that it has sometimes served as a buttress to tyranny and a barrier to social modernization. It has freed oppressive governments from the need to raise taxes and thereby expose themselves to those pressures that raising taxes engenders; one might even adapt an American slogan for Middle Eastern purposes and say, no representation without taxation. There is worse to come. Western science and technology, which made oil first useful and then necessary, will sooner or later make it obsolete, and those who depend on oil revenues will confront a new reality.

There are some other points to note in this by now perhaps overloaded ship. It was manned not by galley slaves but by free sailors. These sailors both fought and worked the ship, unlike the great galleons of the Spanish Armada, for example, where sailors worked the ship and gentlemen fought. The sailors were not gentlemen and the gentlemen were not sailors, which put them both at a disadvantage in a sea battle. But even a Spanish galleon was far better placed than a galley with banks of oars manned by tiers of slaves. The English ship's crew of free sailors made a striking

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contrast at a time when Middle Eastern armed forces relied heavily on Mamelukes and janissaries and other more or less slave elements. Slavery—military, economic, domestic, or sexual—has been part of virtually every civilization known to history. Its abolition was initially, and for a while uniquely, Western. The effects of that change on the family, the economy, the society, and the polity were surely immense.

Perhaps most astonishing of all, and contemporary Turkish writers commented on it, is that the monarch who sent the embassy to the sultan was a woman, a reigning queen—a strange and disturbing innovation. The position of women in the West was very far from equality with men, but it was incomparably superior to the position of women in most non-Western societies. Almost every Muslim traveler to Europe before the modern era noted what was for them the astonishing freedom, even deference, accorded women. The nuclear family based on monogamous marriage was an important factor in the emergence of Western individualism, and, therefore, in the rise and spread of Western civilization. The difference for society between the Western norm and the harem was well understood by Kemal Atatürk, the first president of the Turkish Republic, who in speeches in the mid-1920s began to talk about rights for women. With characteristic clarity and brevity Atatürk declared, "Our task now is to catch up with the modern world. We will not catch up with the modern world if we only modernize half the population."

The first lessons of civilizational change are often administered on the battlefield.

Elizabeth was not only a queen; she was a queen with a parliament. This, again, was something new and strange. It does not seem to have been noted at the time in Turkey, and Parliament under Elizabeth did not have much power. But its power was increasing, and not very long afterward it established once and for all that supremacy lay with the elected representatives and not with the Crown.

This ship's place of origin was the England of Queen Elizabeth and the Levant Company. It was also the country of Shakespeare

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and Bacon and, a little later, of Isaac Newton; of the Renaissance and the Reformation and, a little later, the parliamentary revolution. All these, too, are surely central to what is specifically Western about the West.

WHAT IS TO BE DONE?

WHEN PEOPLE realize things are going wrong, there are two questions they can ask. One is, "What did we do wrong?" and the other is, "Who did this to us?" The latter leads to conspiracy theories and paranoia. The first question leads to another line of thinking: "How do we put it right?" There is a very extensive literature in the Middle East from the early eighteenth century on how to put it right, how to save this state, how to protect this community against the waxing power of the infidel. All kinds of solutions were offered, most involving some imitation or adoption of at least the military methods of the enemy—that is, of the modern West.

From quite an early date, Ottomans and other Middle Eastern rulers took up a conscious policy of reform. They didn't call it westernization, of course. They rejected that idea, and a number of terms were used to denigrate the very notion: the Arabic *Tafarnuj,* or "aping the ways of the Franks," the Persian *Gharbzadagi,* which has been imaginatively translated as "Westoxication." More and more people, however, evinced a growing awareness that extensive changes were needed over an ever wider range.

The defeat in Vienna began a new phase. Recognition of the military superiority of the Western states was immediately followed by plans and attempts to "modernize." Early reformers conceived of that process as the adoption of European weaponry and warfare, through the employment of foreign mercenaries as teachers and sometimes even field commanders, and through the purchase of European weapons. Europe had long been willing to provide such services. In the time of the Crusades, European Christian merchants did a flourishing business selling arms to the Saracens for use against the Crusaders. During the Ottoman advance into Europe in the sixteenth century, there was an English gunshop in Istanbul where military supplies could be bought. Other European

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states eagerly joined in this traffic, and European bankers were willing to finance Ottoman purchases. "Constructive engagement" has a long history.

But Middle Eastern governments eventually realized that all the weaponry they could afford still did not give them a modern army capable of meeting a Western army on its own terms. The Ottoman reformers and others after them drew the necessary inferences. They needed new weapons of the Frankish kind, and it was not safe to depend on imports. Therefore they required a modern armaments industry. They needed officers to lead these new armies and could not rely indefinitely on adventurers and mercenaries. Therefore they had to reform the educational system so that it could turn out suitably trained officers. They needed roads and other communications to move their armies, so they had to build—usually with Western help—what is nowadays called infrastructure.

By the nineteenth century the recognition of Western military superiority and of the need to westernize the armed forces acquired a cultural aspect. What matters primarily in war is weaponry and military organization. The changes of the eighteenth century proving insufficient, in the nineteenth we find Middle Eastern commanders dressing their armies in European-style uniforms with tunics and trousers and Sam Browne belts, and organizing them in European-style formations—platoons, companies, battalions, brigades, and divisions—themselves ordered by means of the European hierarchy of ranks from private to field marshal. These clearly were cultural more than practical choices, and they continue to this day. Middle Eastern armies, even those of the most anti-Western states, still wear European-style uniforms.[1]

The military reforms may have delayed but they did not prevent the establishment of Western domination. Even after the departure of the Western imperial powers, they have not sufficed to restore even a semblance of parity in the effective use of military power. The

[1]Similarly among civilians, outside the Arabian Peninsula Western dress remains the norm for men, although not for women. (Men, not women, of course, make these choices.) Even the diplomatic representatives of the Islamic Republic of Iran wear suits like the Europeans. Only the missing necktie symbolizes their rejection of the trammels of Western civilization.

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efforts of some states to acquire weapons of mass destruction—Western inventions all—are attempts to remedy this disparity. Such attempts may achieve mutual destruction; they will not achieve victory or even parity.

THE SECRET TALISMAN

THERE WERE many who tried to find the secret talisman of Western power. Some located it not in the military realm specifically but in the Industrial Revolution, and economic development more generally; some in the science and technology that powered them. Some saw it as enshrined in that most extraordinary and exotic of Western institutions, constitutional and representative government.

This last has given rise to a whole modern school of thought that associates the nature of Western society with individual freedom, human rights, limited government—in a word, citizenship, the right of the citizen to participate in the formation, conduct, and, if necessary, dismissal of government. Nowadays some form of constitutional and representative government is usually taken to be an essential part of the Western way of life and, therefore, of westernizing modernity. It has not always been so, and the recent history of, for example, much of the European mainland demonstrates that a state can be both Western and modern, at least for a time, under an autocratic and repressive regime. Surely it is unreasonable to expect newcomers to Western modernity to install this Western institution faster or operate it better than some major Western nations. At the same time, the success of some of the "Asian tigers" shows that a country can modernize effectively without democracy and human rights as impediments to action. While it may not be possible to have democracy today without modernity, it is certainly possible to have modernity without democracy.

In contrast, the idea of limited government is inherent and essential in Islam. The principle that the ruler is not above the law, but subject to the law no less than the humblest of his underlings, is central to classical Islamic teaching on the state. The unbridled autocracy that prevails in much of the Islamic world today is in large measure a byproduct of modernization, which has often abrogated intermediate

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powers and reinforced the sovereign power so that the most insignificant tinpot dictator wields a despotic authority beyond the wildest imaginings of the caliphs and sultans of the past.

More persuasive but still not entirely convincing is the attribution of Western modernity's success to the separation of church and state. Separation in the two senses, between political and ecclesiastical institutions and between scientific and religious thought, is now commonly accepted as an essential part of Western modernity. Certainly some of the most successful modern Western states have achieved such separation either by constitutional enactment, as in the United States and France, or by tacit agreement on both sides, as in the United Kingdom and the Scandinavian monarchies. But in the latter group this de facto separation came late in the development of both democracy and modernity, while in other successful Western states religion and even religious-based parties still play a significant role. The experience of Israel, a modern democratic state with an important religious component to its very identity, is too new and brief to serve as a basis of argument. Perhaps the same may be said of the religious-based parties in the democracies established after World War II in former Axis countries. This much is certain: the role of religion in relation to both democracy and modernity may vary considerably from religion to religion and country to country. The historical roles of Protestant, Catholic, and Orthodox Christianity are very different, and all of them differ from those of Judaism and Islam. What is clearly incompatible with both Western civilization and its distinctive brand of modernity is the subordination of the state and of science to religious control, whichever religion it may be.

WESTERNIZING THE MASSES

To DISCOVER how the West affected ordinary people in the Middle East, one may examine the inventories of estates before the distribution among heirs. Many hundreds of thousands of such inventories survive from the centuries of Ottoman rule. A young Turkish historian, Müge Göcek, had the idea of going through the registers of inventories of people who died in eighteenth-century Istanbul,

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taking soundings at intervals, among different elements in society, and looking for Western artifacts and objects. What she found included telescopes and eyeglasses, a European import already attested in Iran in the fifteenth century; chairs and other furniture; maps and books. The largest groups of items by far were muskets, pistols, clocks, and watches.

The measurement of time in the Middle East goes back to ancient Babylonia, but the clock and the watch—portable, personal timepieces—introduced a precision previously unknown. It became possible to have schedules and office hours and to make appointments—a new way of life still imperfectly assimilated in the region. The calendar is another change of specifically Western origin. All civilizations devise their own ways of measuring the days, the months, and the years, but in our own age the Western Christian, or Gregorian, calendar and the division of time into Christian and pre-Christian eras have gained almost universal acceptance.

A parallel innovation was in the measurement of space. The European practice, inherited from the Greeks, was to divide the eastern hemisphere into three artificially defined continents assigned the names Europe, Asia, and Africa; European cartographers later added America. Asians, Africans, and pre-Columbian Americans had been quite unaware of these identities which Europe had assigned to them, but starting in the seventeenth century the Ottomans and other Middle Easterners began to accept these European classifications.

More important than the naming of continents was the demarcation of frontiers. Before, a realm extended as far as its ruler could collect taxes. Now came the European notion of a precisely demarcated border between states, and that, of course, had a considerable effect on the very notion of the state and on the shared identity and allegiance of those who lived within its frontiers.

No less important was the abridgment of both time and space by such new devices in communication as the train, the car, the plane, and printing and then newspapers. Printing is an interesting example of rejection. It was not a European invention, but was introduced to Europe from the Far East. In 1294 the Mongol ruler of Iran printed and issued Chinese-style paper currency. But the market refused it, the economy ground to a standstill, and after two months

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the paper was withdrawn and hard money—i.e., coins—returned. The printing of books was known and rejected. When the Spanish Jews came to Turkey in 1492 after their expulsion from Spain, they requested permission to set up printing presses to produce books for their own use. Permission was granted on condition that they did not print in Turkish or Arabic, or in Arabic characters. The usual explanation is that this was seen as a desecration of the Holy Script; perhaps the guilds of calligraphers and scribes also had something to do with it. Printing in Muslim languages was not permitted until the eighteenth century, when a Hungarian seminarist converted to Islam introduced it. The experiment was of brief duration and limited effect. And for a while, printing in the Middle East continued to be limited to religious minorities—first Jews, later various Christian denominations. At the end of the eighteenth century and more actively during the nineteenth, printing was reintroduced, initially through the agency of foreign governments and Christian missions. By the mid-1800s it was extensively used for texts in Turkish, Arabic, and other Middle Eastern languages.

The other, perhaps more important, change in communications was in their speed, beginning with the telegraph. That invention was introduced in 1855 during the Crimean War, like so many other major changes due to war and the needs of war. The first telegram transmitted from the Middle East was a military communiqué announcing, "Allied troops have entered Sevastopol." A combination of the war, telegraphy, and the presence of foreign correspondents endowed the Middle East with another potent vehicle for westernization and modernization—the daily newspaper—where before there had been only official gazettes and some rather sporadic private publications. The advent of the paper and its daily fix of news and comment radically transformed Middle Easterners' view of the world and of themselves.

WHO DECIDES MODERNITY

THREE ATTITUDES have emerged among Middle Easterners faced with the alien civilization from the West. One is expressed in Naipaul's image of the supermarket: we take what we can adapt and

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use, without allowing ourselves to be infected by a superseded religion and an inferior civilization. This view comes in an extreme form nowadays in the writings and utterances of the so-called Islamic fundamentalists, who see Western civilization, and particularly American popular culture, as immoral and dangerously corrupting. In this strain is the Ayatollah Khomeini's denunciation, taken up by his successors in Iran, of the United States as the Great Satan.[2]

Others have talked hopefully of a marriage of the best elements of both civilizations. When civilizations meet and clash, however, what all too often results is not a marriage of the best but a promiscuous cohabitation of the worst.

The third attitude could be summed up in this way: The world has seen many civilizations. Each has grown and flourished in its day, then passed away. At this moment in history only one is still alive. We must join it or be uncivilized. This was the line that Kemal Atatürk and his ideological predecessors in the Young Turk Movement pursued.

The modern process of change was undoubtedly initiated by the West, but is it Western in its origins? The West was not born like Aphrodite from the seafoam, and much of it is of non-Western origin, distinct from the Greco-Roman and Judaeo-Christian roots of Western civilization.

It is the habit in the Western world, now followed in many other regions, to divide history into three main periods: ancient, medieval, and modern. In this system, medieval Europe marks the transition between antiquity, that is, Greece, Rome, and the ancient civilizations of the Middle East, and modernity, that is, ourselves. But there were three routes from antiquity to modernity thus defined, of which medieval Western Christendom was only one. The other two were Greek Orthodox Christendom and—by far the most important of the three—the world of Islam. The Islamic world, like the two

[2]No intelligence service is needed to interpret this epithet—just a copy of the Koran. The last verses, the best known along with the first, talk about Satan, describing him as "the insidious tempter who whispers in the hearts of men." Satan is not a conqueror, not an imperialist, not a capitalist, not an exploiter. He is a seducer. He comes with Barbie dolls and cocktails and provocative TV programs and movies and, worst of all, emancipated women.

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Christendoms, accepted the heritage of antiquity, and it made far better use of that heritage than either of them. Greek philosophy and a wide range of Greek sciences were preserved, translated, and studied in the Islamic world long before they became known in Europe.

And that is not all. The ancient civilizations of the Mediterranean and the Middle East, of Europe, India, and China were all local, at best regional. Christendom and Islam both claimed a universal mission, but the Islamic oecumene extending over large parts of Asia, Africa, and Europe was the first to create a civilization that was multiracial, multicultural, in a sense intercontinental. Islamic civilization extended far beyond the uttermost limits of Roman and Hellenistic culture, and was thus able to borrow, adapt, and incorporate significant elements from the remoter civilizations of Asia.[3] To these, Middle Easterners added their own rich contribution, which helped to form the nascent civilization of the West. A late medieval Indian, African, or European might well have asked—is modernity Islamic?

A few examples may suffice to show they would have asked with good reason. Experimental science, Westerners like to persuade themselves, is peculiarly and exclusively Western. In fact, it was developed in medieval Islam much more than in the ancient world. The Greek genius lay in theory and philosophy. The Muslims developed experimental science and bequeathed a rich legacy which helped to start the modernization of the West.

In the economic realm, too, notably in commerce and banking, there is a considerable heritage from the Islamic world and beyond. The extent to which European traders learned from their more advanced Muslim colleagues is attested by the many Middle Eastern loan words in Western languages. Check comes from Persian, tariff from Arabic, and the names of a variety of sophisticated foodstuffs

[3]Nowadays, we Westerners claim diversity as a characteristic merit of our Western societies. This is a fairly recent development, as Western societies for most of their history were totally intolerant of diversity. The Islamic societies of the Middle East, on the other hand, were enormously diverse, and people of different religions, races, and ways of life developed the capacity to live side by side, I will not say in full equality, but in reasonable, mutual tolerance. That has changed for the worse in the Middle East, as the strains grew greater and the opportunities fewer. It is much more difficult to be tolerant when you are under threat than when you feel yourself to be on top of the world. Meanwhile, in the Western world, tolerance of diversity has increased markedly.

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and commodities reveal their Middle Eastern origin: caviar and orange are Persian, while damask and muslin preserve the names of Arab cities. On another level, a range of mathematical and astronomical terms from algebra to zenith document the Islamic contribution to mathematics and astronomy. Double-entry bookkeeping was a great European invention, but it would hardly have been possible without the zero and positional numbering, which the Muslims brought to Europe from India, or paper and papermaking, which they brought from China.

The standards of the dominant civilization always define modernity.

Western influences in art and architecture appeared very early and spread very fast. The westernization of literature came later, but was also rapid. Much of the literary output in Arabic, Persian, and Turkish today is in form and, to a significant extent, in content no more alien than any other regional variant of the common Western culture. In music, however, there seems to be a hiatus—one of the more striking cultural differences between the Middle East and other parts of the non-Western world. Western-style art music is appreciated and performed in Japan, in China, to some extent in India, while it remains alien in most of the Islamic world.

The same must be said of science. Scientists in the Far East and Southeast and South Asia are actively participating in what is no longer a Western but a worldwide scientific enterprise. Indeed, the science and technology of modern communications would be far less advanced without the Far Eastern contribution. But the Middle East's contribution compares poorly with that of its non-Western contemporaries and, even more dramatically, with its own past. This should lead Middle Easterners to ask themselves not why are they different from the West and how the West is to blame for this, but why their societies have fared so differently from those of South Asia, Southeast Asia, and the Far East.

This may perhaps help provide a practical, if not theoretical, definition of modernity. In every era of human history, modernity, or some equivalent term, has meant the ways, norms, and standards of the dominant and expanding civilization. Every dominant civilization has imposed its own modernity in its prime. The Hellenistic kingdoms,

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the Roman Empire, the medieval Christendoms, and Islam, as well as the ancient civilizations of India and China, all imposed their norms over a wide area and radiated their influence over a much broader one still, far beyond their imperial frontiers. Islam was the first to make significant progress toward what it perceived as its universal mission, but modern Western civilization is the first to embrace the whole planet. Today, for the time being, as Atatürk recognized and as Indian computer scientists and Japanese high-tech companies appreciate, the dominant civilization is Western, and Western standards, therefore, define modernity.

There have been other dominant civilizations in the past; there will no doubt be others in the future. Western civilization incorporates many previous modernities—that is to say, it is enriched by the contributions and influences of other cultures which preceded it in leadership. It will itself bequeath a Western cultural legacy to other cultures yet to come.

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Reviews

ARCHIVE PHOTOS

Refugees receive aid in Goma, Zaire, November, 1996

Relief agencies' struggle to stamp out suffering is also a competition for market share.

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Review Essay

Charity on the Rampage

The Business of Foreign Aid

David Rieff

The Road to Hell: The Ravaging Effects of Foreign Aid and International Charity. BY MICHAEL MAREN. New York: Free Press, 1997, 287 pp. $25.00.

Thirty years ago, few people could have identified a humanitarian aid organization other than the International Committee of the Red Cross. Today, humanitarian organizations like the International Rescue Committee, Save the Children, and the Paris-based Doctors Without Borders have become household names to millions of people in Western Europe and a growing number in the United States.

In Europe, humanitarianism, as François Jean, a leading official at Doctors Without Borders, has remarked, "occupies a central place." The contemporary form of humanitarianism, although the brainchild of left-wing French intellectuals of the May 1968 generation, has become so mainstream that France has a junior minister for humanitarian affairs. Things have proceeded more slowly in the United States, where humanitarian organizations have tended to rely on their ties to the State Department and the Agency for International Development (AID) more than their ability to mobilize the general public.

Nonetheless, even if most Americans are not ready to accept that there is a "right" to humanitarian intervention in extreme cases, as Doctors Without Borders claims, aid organizations have captured the public imagination. Here are people engaged in an activity that is wholly admirable, and that one need not view skeptically. Even in the last Congress, where the pressure to cut the foreign aid budget and the State Department's allocations for consular offices was fanatical,

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appropriations for the Office of Foreign Disaster Assistance sailed through with bipartisan support. As a bitter State Department official in Rwanda recently told me, "There is money for weapons, and money for starving refugees, and that's about it."

Small wonder, then, that over the past two decades the established aid agencies have grown enormously, and new agencies, some no bigger than a half-dozen people—there are no licensing requirements—have proliferated. In 1982, 144 humanitarian aid agencies were registered with AID; 12 years later, the number had grown to 419. As the British journalist and observer of disaster relief operations Lindsey Hilsum wrote in 1995, "the emergency aid business" grew from "a small element in the larger package of development into a giant, global, unregulated industry worth 2,500 million pounds sterling a year. Most of that money is provided by governments, the European Union, and the United Nations."

Hilsum's comments are quoted by Michael Maren in his new book. Maren is a former Peace Corps volunteer in Kenya and AID official in Somalia. His book, although rhetorically over-the-top at times, is an invaluable corrective to the hagiographical accounts of humanitarian aid operations that have been the norm for the past decade. There are sound practical reasons why this has been so. The sites of disaster are difficult to get to, more difficult still to work in, and hardest of all to understand. The press' admiration for aid workers has been genuine and warranted. But there is no use denying that for the press corps, with the exception of the richest newspapers and television networks who can hire their own vehicles and translators, the international aid organizations have shaped coverage of their own stories. Whether it was in Mogadishu, Sarajevo, or Goma, more often than not print and television journalists turned to a member of a humanitarian nongovernmental organization (NGO) for the story on the ground—not to mention transportation, lodging, and companionship. The situation is not all that different from the American media and the U.S. military in the early days in Vietnam before the reporters turned against the war.

As a result, the aid agencies' version of a story has often been the one transmitted from the field. Some agencies, Doctors Without Borders being the most accomplished, have become masters of spinning the story of an event to influence public opinion at home. "NGOs need nothing more than publicity," Maren writes, adding unfairly that "their prime interest is in reaching their customers, the donating public." Humanitarianism is a business, as Maren correctly points out, but for most humanitarian aid workers, their "customers," if they even see them as such, are the people they are trying to help.

BUYER BEWARE

Maren writes with the fury and disillusionment of intimacy. He knows from the inside how corrupt and self-serving humanitarian organizations can be. But like all jeremiads, *The Road to Hell*, devastating and enlightening though it is, oversimplifies the problem. For example, Maren calls what happened in Rwanda in 1994 a "relief circus." No doubt he is right. Anyone who saw, as I did, the grotesque display of humanitarian agencies' flags flapping alongside each other in eastern Zaire like so many corporate flags in some

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business park in Purchase, New York, or San Jose, California, realized there was more going on than the simple desire to help. The struggle to stamp out cholera, get the shelters built, and dig the pit latrines was simultaneously a struggle for market share.

In Rwanda in the summer of 1994, as Maren notes, the humanitarians descended en masse, whether or not there was something useful for them to do. Aid workers in Rwanda asserted that the headquarters of several of the most established aid organizations overruled their recommendations not to intervene, insisting that if they were not involved, fundraising would be hopelessly compromised. Most aid organizations now admit that there was far too much duplication of effort and that many agencies performed poorly. The Rwandan government expelled a number of agencies in December 1995, although the fact that those agencies were French, and viewed by the new authorities in Kigali as politically hostile, played as important a role as questions of competence.

Maren is on solid ground when he insists that such dereliction was common. From country-level directors in the field to senior staff in Atlanta, New York, Oxford, or Paris, the pressure to find funding is enormous. Without a donor, whether that donor is a national government, a U.N. agency, AID, or the European Commission Humanitarian Office, virtually all relief agencies would close down. Of the major agencies, only a few retain some real independence. The French branch of Doctors Without Borders continues to receive more than 50 percent of its donations from individual private contributors. And Catholic Relief Services, though it receives considerable U.S. government funding, is able to operate with exceptional latitude because it is substantially underwritten by the American Catholic Church.

But for most agencies, in both the United States and Europe, institutional grants pay for almost everything: salaries, vehicles, housing, and project costs. Agencies boast that they allocate very little to overhead, but what they mean by overhead is usually the cost of running their headquarters. Some groups have small discretionary funds for launching pilot projects, but they are rarely large enough to obviate the need for aid groups to solicit funds through advertising. And sometimes their haste to do so is, to put it kindly, unseemly.

A telling example was the recent decision by the British branch of Save the Children to launch an appeal for Rwandan refugees in Zaire at a time when their fate, and, by extension, what role the aid agencies would play, was unclear. Nonetheless, Save the Children ran an advertisement with a photograph of a pathetic-looking African child that read in part: "Zaire: Desperate children need your help." That was doubtlessly true. But the ad continued, "Save the Children is able to help these children. We are providing high protein biscuits, medical supplies, and blankets to help save lives." That may have been the agency's intention, but when the ad ran in the British press the children in question had been cut off from aid for weeks, and it was by no means clear when or if that would change.

It is this sort of pious hyperbole, what Maren calls "exploitation of children for fundraising," that provokes his indignation. Right or wrong, the agencies usually get away with it, although recently

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the Rwandan government expelled a European agency for using a pathetic photograph of a Rwandan child in one of its campaigns without first consulting the Kigali authorities. The agency's officials were flabbergasted. No "beneficiary" country had ever dared demand that kind of respect. But then, the experience of Rwanda has been chastening for many agencies, not only because the government has kept the NGOs on a short leash, but because it became apparent that humanitarian intervention in the absence of a political solution solves nothing.

In eastern Zaire, the aid agencies found themselves in the position of feeding not only innocent refugee women and children, but their sons, fathers, brothers, and husbands, many of whom had participated in the 1994 genocide. The aid allowed those loyal to the old regime to survive, regroup, and launch guerrilla attacks from the refugee camps into Rwanda. This realization caused a number of agencies, notably the French branch of Doctors Without Borders and the International Rescue Committee, to withdraw in early 1995. But while courageous, this withdrawal was little more than a symbolic gesture; other agencies, including other national branches of Doctors Without Borders, were more than willing to fill the "vacancy" left by the departing NGOs. No better proof exists of how delivering humanitarian aid has become a business.

That lesson was driven home last October, when the Rwandan government first orchestrated a guerrilla uprising in the Zairean provinces where refugee camps were located. The aid agencies had been providing the camps between 8,000-9,000 tons of food per month since 1994. As the refugees were driven out, a spokeswoman for the World Food Program warned that more than 150,000 refugees, including 80,000 children, could die within the month. The head of one refugee advocacy group assured a Washington audience in early November that at least 1,200 people were dying every day.

That same week, Alex de Waal, co-director of Africa Rights, a London-based advocacy group, wrote presciently that in Africa people "never, never die in the numbers predicted by the aid agencies." As it happened, when the refugees finally did begin to move by the hundreds of thousands, U.N. and NGO officials conceded that they were in remarkably good shape. It is extremely difficult to estimate how many people will die during an emergency or even establish how many died after it has ended. But few NGO representatives are willing to admit as much publicly. An exception is H. Roy Williams of the International Rescue Committee, a man who has probably thought more deeply about humanitarian relief than any other senior American aid official. During the run-up to the intervention in Somalia, Williams told a *Washington Post* reporter, "I don't think anyone has a clue how many people have died."

STAGE FRIGHT

Maren's book went to press before the events in eastern Zaire played themselves out, but they only buttress his argument. In *The Road to Hell*, he writes eloquently of our "sensory confusion," engendered partly by television's sentimental depictions and partly by the fact that since the end of the Cold War most people do not really know how to think about international affairs. In this context, humanitarianism's

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appeal is obvious. The humanitarians act in our stead, and we have the satisfaction of feeling that humanitarian aid remains an effective response in a world where every gesture seems compromised.

This is the world viewed as a morality play. There are people in need, people from abroad who want to help (and need funding to do so), and the thugs and militia bosses who have caused the suffering in the first place. As President Clinton said when he finally announced that the United States would join the multinational humanitarian military mission in Zaire, "The world's most powerful nation must not turn its back on so many desperate people and innocent children who are now at risk."

In reality, the United States seems to have acted in response to pressure from governments, advocacy groups, and an intensifying media focus. Maren argues that the same pressure drove the humanitarian efforts in Ethiopia and Somalia. In Somalia, too, apocalyptic death tolls were predicted by the U.N. and aid agencies, and American television nightly showed scenes of despair and lawlessness in the streets of Mogadishu. Senator Nancy Kassebaum (R-Kan.) visited the region, as did Bernard Kouchner, then French minister of humanitarian affairs. The media attention eventually forced President Bush's hand.

Maren is not alone in suggesting that the death toll in Somalia was exaggerated, and that, by the time the intervention was under way, the mortality rate from famine and disease was already declining. He is an expert debunker. Yet while *The Road To Hell* is a useful antidote to the hyperboles of humanitarian aid, the flaws he discerns are not as damning as he imagines. In his obsession with examples of waste, graft, and misrepresentation, there is something of the Pentagon whistleblower's inability to see that although an arms procurement program is corrupt, it does not make weapons systems any less necessary.

LESSER OF TWO EVILS?

The presence of humanitarian aid workers has meant the difference between life and death for tens of thousands of people. Would it have been better if the International Rescue Committee, say, had not restored the electrical system of Sarajevo? I saw the project, which took two years and was accomplished in circumstances of great danger, transform the lives of the people there. Would it have been better if the U.S. military had not been involved in the Goma refugee camps in Zaire in 1994, when the cholera epidemic was at its height? It hardly seems likely, although, as Rony Brauman, one of the founders of Doctors Without Borders, has argued, it might then have been preferable for the aid agencies to withdraw en masse, rather than stay on in part for the entrepreneurial reasons Maren excoriates.

What excites Maren's ire is the gap between what the humanitarians claim they accomplish and what they actually do. There certainly are scoundrels in the NGO world, though surely no more than in medicine, law, or other professions. Indeed, it could be argued that in a culture as besotted with money as ours, people who are willing to shelve their careers or perhaps even briefly defer them by serving a short stint doing sanitation work somewhere in Africa are nothing less than remarkable. Most Americans or Western Europeans cannot imagine visiting Burundi or Tajikistan, let alone living there in circumstances

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that may be privileged by local standards, but are hardly comparable to the lifestyle they could enjoy at home.

My own experience is that while relief workers are too often woefully ignorant of the history and culture of the places in which they work, their dedication and wish to contribute something of value is genuine. That does not mean humanitarianism is the panacea that some of its advocates claim, nor that humanitarian interventions in what are essentially political crises are always wise. The tendency, which Maren identifies, of humanitarian aid agencies to campaign for military intervention is one of the most worrying developments on the international political scene. The idea that troops should be sent to protect relief workers wherever people are dying can lead only to more Somalias or to a kind of Group of Seven military takeover of failed states. Neither is practical or desirable unless one wants to reproduce the entire experience of nineteenth-century colonialism, which, it should be recalled, was also often justified on humanitarian grounds.

A MEASURE OF HUMANITY

This is not to question the basic value of the humanitarian exercise. If there is a profound critique of humanitarianism to be made, it revolves less around the points that absorb Maren and more around H. Roy Williams' compelling insight that the dilemma for humanitarian relief organizations is that they "have no idea how to match our material means to our moral and emotional aspirations." Maren is right to remind us how far the humanitarian organizations have overreached, but in fairness to them, this fact already pervades their own internal debates. Indeed, in France these debates are public, and there is much talk within Doctors Without Borders and other NGOs of the "humanitarian alibi"—the misuse of the humanitarian idea and humanitarian workers by governments eager to do as little as possible in economically unpromising regions like sub-Saharan Africa.

There are those who believe, and there are moments in *The Road To Hell* when it seems like Maren may be among them, that the world would be better off without the fig leaf that modern humanitarianism increasingly provides, with the humanitarians serving as our designated consciences. Perhaps. But it is at least as likely that nothing positive would replace the humanitarian system, however flawed and, in some cases, destructive it can be. The dilemma is real, and there is no clear answer. Perhaps the real problem with modern humanitarianism is that it has exceeded its limits, and that, with all its talk of the right of intervention, its campaigning for military deployments, and its indulgence in the worst kind of disaster pornography in advertising campaigns, it needs to become more modest in its ambitions and expectations. A remark by a delegate of the International Committee of the Red Cross in Bosnia in 1993 is worth recalling here. The mission of the Red Cross, he said, is "to bring a measure of humanity, always insufficient, into situations that should not exist."

If West European and North American humanitarians could reliably provide that measure of humanity, they would already have accomplished a great deal. The engaged humanitarianism of the past 25 years is an attempt to go beyond the Red Cross' mission. The French tradition, exemplified by Doctors Without

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Borders, is an example. The Red Cross is hardly without its faults. During World War II, its tradition of discretion and its refusal to imperil its other activities prevented the organization from going public with information about German death camps. Nonetheless, its ideals and commitment remain coherent. It is doubtful that NGOs that depend on governments for their funding can aspire to the Red Cross' strict neutrality. Perhaps, after a long period of untrammeled growth, aid agencies now need to take a more cautious approach and realistically reassess what they can and cannot accomplish.

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Review Essay

Back to Euro-Pessimism?

A Jeremiad Too Fond of Gloom and Doom

Stanley Hoffmann

A Grand Illusion? An Essay on Europe. BY TONY JUDT. New York: Hill and Wang, 1996, 142 pp. $20.00.

The future of the European Union is anything but clear. Three main tasks were to be undertaken after the Maastricht treaty came into effect: building a European Monetary Union (EMU) with a central bank and a single currency, engaging in constitutional reform to simplify (and perhaps democratize) the overcomplicated institutional system, and enlarging the union to include new members. All three projects have run into difficulties. Understanding why requires both analytical clarity and descriptive complexity (at times EU politics remind one of the titles of the great French cartoonist Sempé's first two books: *Rien n'est Simple* and *Tout se Complique*). Tony Judt's new book provides the analytical clarity that can always be expected of him, but falls short when it comes to descriptive complexity.

Judt has always been a thought-provoking, incisive, even combative historian. His writings have dealt with both Eastern Europe and French intellectual and political history. Some of them are masterpieces of debunking—often justified, occasionally unfair, and always interesting. This essay on the past and the prospects of the European Union, based on three lectures Judt gave at the Johns Hopkins Center in Bologna under the auspices of *The New York Review of Books* and publisher Hill and Wang, displays all of his characteristic virtues, and some of his defects.

"British—by nationality if not by residence," Judt nevertheless declares himself "enthusiastically European." But he applies the French dictum: *qui aime bien, châtie bien*. He concludes that a "truly united Europe" is so unlikely that it

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would be "unwise and self-defeating to insist upon it." In his view, "'Europe' is more than a geographical notion but less than an answer," and has become "little more than the politically correct way to paper over local difficulties, as though the mere invocation of the promise of Europe could substitute for solving problems and crises that really affect the place." While any skeptical student of the EU would agree with the main lines and conclusions of his provocative argument, its bracing analysis suffers from exaggerations, contradictions, and omissions.

RISING PROVINCIALISM

Judt's main argument is that the factors that led to both Western Europe's economic recovery after World War II and the first enterprises of integration have disappeared—the abundance of "coal, labor, and dollars"; the presence of Christian democrats in power in the key countries; the division of the continent that saved the builders of the European Economic Community from having to worry about "trying to incorporate into 'Europe' the poorer lands to the east." The 1945-89 era now looks "more and more like a parenthesis." Judt talks about the "cosseted amnesiac Europe of the 1949-89 years." Today, as he rightly observes, Europe is plagued by unemployment, xenophobia aimed at the immigrant workers so welcome in the 1950s and 1960s, and the ever larger "community of the disadvantaged for whom the EU is the only source of relief." The Franco-German equilibrium of the postwar and Gaullist era, based on "the unspoken premise" that "[the Germans] pretend not to be powerful, and [the French] pretend not to notice that [they] are," has given way to German domination of the EU—a domination that, paradoxically, breeds EU passivity and inertia in foreign affairs.

Similarly, Judt continues, the myth of a united Europe that developed during the "parenthesis" has given way before the return of nationalism and long-repressed national memory. The new Europe is increasingly closing in on itself. After years of negotiation, the 1995 implementation of the Schengen Accord on the free circulation of persons within countries of the union has meant, in effect, "a sort of highest common factor of discriminatory political arithmetic," where "whichever state has the most draconian and exclusive immigration and/or labor laws will be able to impose its requirements on all others" at the expense of foreigners and refugees. Since "Europe" no longer means "a true, definitively cosmopolitan solution to the parochial provincialism and dangerously exclusivist cultures of nation-states," the nation-state is "the only remaining, as well as the best-adapted, source of collective and communal identification." Paradoxically, the survival of the nation-state's "political and cultural credibility" is necessary "if Europe itself is to remain afloat" (an argument that Alan Milward, as Judt acknowledges, has already made). Unlike in the 1950s and 1960s, the EU no longer tends to reinforce the nation-state, but instead weakens it by favoring such strong, prosperous regions as Catalonia and Lombardy.

Even more pessimistic are Judt's reflections on the rise of Central and Eastern European provincialism. He points out that there are many lines of cleavage in Europe: between rich and poor countries, between north and south, and even within the east itself. But it is the east-west division that in-

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A toast to Europe: Helmet Kohl and Jacques Chirac in a Strasbourg pub, 1995

terests him most. He observes that Nazism and communism combined to destroy "the basis of the rule of law and rights" in Eastern Europe and to wipe out the region's pre-1914 cosmopolitan (largely Jewish) culture. While in Western Europe these norms and traditions were born of the nation-state, in the east they "were born and could only be born from the collapse of empires." Their demise has resulted in nations with huge minorities and pervasive provincialism. Regional cooperation has been a fiasco because of both old hostilities and the COMECON experience.

As a result, Eastern European elites desperately want to be part of "Europe"—for historical, strategic, cultural, and economic reasons—and membership in the EU is their ticket for admission. But this means "joining Western Europe on the latter's terms," which are niggardly. This in turn contributes to the demise of the Euro-idealists in the east and to the revival of Eastern European nationalism.

For Judt, only one issue on the EU's agenda really matters: "Is Europe to be extended? If so, how far and on what terms?" Given the present condition of Europe's economy, he sees extension as

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unlikely: "All conceivable future members of the union (Switzerland apart) fall unambiguously into the category of beneficiaries" of, not contributors to, the EU's budget. Indeed, Germany's experience with the "rehabilitation" of its eastern *Länder* has already cooled even Bonn's early enthusiasm for expanding the union eastward.

NATIONALISM ALL OVER AGAIN

While Judt's sweeping strokes may appear accurate enough, the devil—as so often in European politics—is in the details. In his attempt to show that the founders of the European Community in the 1950s were motivated by national interests and purely pragmatic considerations, Judt underestimates the underlying European idealism that allowed them to overcome hatred, distrust, and conflict. There was more talk about "Europe" in the resistance movements and in the period following the end of the war than Judt admits. Even that French nationalist Charles de Gaulle made several speeches at the time about the need for a Western European identity. In 1950 there were many Europeans who actually talked about giving up sovereignty. Conversely, and curiously, Judt attributes the survival of the costly Common Agricultural Policy even as the peasantry was "swiftly melting away" to an idealistic myth of its "cultural centrality," whereas it really rested on a Franco-German economic deal: France would be open to German industrial goods, and in exchange (even with a reduced peasantry) would become Western Europe's exporter of farm goods. Judt also goes astray when he argues that "there is very little tradition in Europe of effective assimilation . . . when it comes to truly foreign communities." France has assimilated (as individuals, to be sure) millions of Italians, Portuguese, Poles, and now North Africans.

Beyond his historical omissions and inaccuracies, Judt also exaggerates the current extent of German domination of Europe. He wrote his book in Vienna, where German preponderance can be acutely felt. But despite German reunification and the uselessness, after the Cold War, of France's *force de frappe*, which was long one of its trump cards vis-à-vis Germany, Paris has what Joseph Nye might call "soft power" assets that Bonn admits to lacking, as well as military capabilities Germany has but cannot use abroad. It is true that François Mitterrand, as president of France, opposed the EU's extension to the east because he feared that Germany would dominate an extended Europe, with Berlin at its geographic center. But Judt, who thinks that would indeed be the case, forgets that many Central and Eastern European leaders, whether they embrace or fear German economic preponderance, do not want to become Berlin's satellites, and would turn to France (and to a more "European" Britain, should one ever exist) for balance. Furthermore, if it is German "domination" that forces the union "to restrict its collective international interventions to uncontentious issues of an environmental or humanitarian nature," how much is there to fear?

Just as he misinterprets Germany's role in an extended Europe, Judt also contradicts himself on the issue of present-day nationalism. In his second chapter he asserts that, with a few exceptions, "there is nothing especially controversial today about being 'European'—it carries no

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suggestion of the lack of properly 'national' sentiment." That is clearly not the case in the east, and the very return of nationalism in the west that Judt mentions in his third chapter—whether French resentment toward "Maastricht" or German resistance to replacing the deutsche mark with the euro—suggests that it is not the case there either. When discussing France, one cannot even talk about a "return" of nationalism after 1989: what about Gaullism in the 1960s and 1970s?

REINVENTING THE UNION

There are some important issues to which Judt devotes too little attention. Extension is bound up not only with the economic fortunes of the EU but with its institutional problems, which Judt dismisses. There can be, as he says, no "Europe" without its states, but in all sensitive or conflictual matters, the resistance of the states (and sometimes, as in the former East Germany, even of their regions) to further "enlightened despotism" from Brussels limits the union's main organs of government to a mix of sometimes excessive or petty regulations while preventing them from addressing major issues like unemployment and diplomacy. The more states added to the union, the greater the risk of paralysis, deadlock, and delay in all contentious areas—and not only those in which the rule of unanimity still prevails. Moreover, the present institutional setup's democratic deficit prevents the union from becoming anything like the legitimate force of integration that the nation-state can still claim to be. As Judt acknowledges, there is no European people yet. The institutions of the EU are often seen as either a bureaucratic and technocratic source of relief or an exasperating mass of regulations and demands.

There are only three alternatives. The first, with or without extension eastward, would be a largely symbolic "Europe" of the lowest common denominator. It would probably have no monetary union because of the failure of its key members to meet the conditions for participation (the famous convergence criteria concerning debt, interest rates, inflation, and budget deficits), and its policymaking would remain bogged down by either the rule of unanimity or "blocking minorities" in those areas where, because of the failure of institutional reform, qualified majorities are still required.

The second possibility, dismissed by Judt, is an *Europe à plusieurs vitesses*. We will have it anyway, as an effect of British and Danish resistance to integration and the advent of monetary union, to which only some countries are likely to belong initially. But the core countries ought to be bound by more than a common currency; they should be allowed, institutionally, to go beyond the present creaky setup. Institutions matter. Many of the phenomena Judt deplores result not only from bad economic conditions and the prejudice and xenophobia they breed but also from the inability of the EU institutions to overcome collective inertia and address issues that the nation-state, for all its continuing legitimacy, simply cannot resolve. Further rehabilitation of the nation-state's political credibility is not the remedy; political credibility depends on the ability to solve problems, and the average nation-state, in an open world economy, has a limited capacity to do so.

The third possibility, preferably with extension—since I, like Judt, believe that

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at least a large part of Central and Eastern Europe ought to be included in the EU—is an institutional leap that would further reduce the areas in which one state or a small group of states can veto decisions, extend the powers of the European Commission to diplomacy and security affairs, involve national parliaments in the decisions of the EU through a European senate, and increase the powers and change the mode of election of the European Parliament. In short, an unlikely scenario. Such a European entity would be capable of acting in areas of national failure, like unemployment, and in ones in which the present setup has proved ineffective, like noneconomic diplomacy. Judt does not discuss such a scenario, probably because he (like me) deems it unlikely.

Another major issue Judt does not address—and one that would contribute to his pessimism—is the commitment to monetary union. EU officials, and many economists, argue that the drastic deficit cuts and reductions in social benefits that the convergence criteria require would be in the economic interest of all the members even in the absence of a commitment to EMU; after all, they have to be competitive on world markets. The "stability pact" on which the Bundesbank has insisted will oblige those who meet the criteria and join the EMU to stick to the criteria after they're in. ("Ye who enter here, abandon all hope of returning to unorthodox practices!") But the political and social costs of that forced march to a single currency are very high. Not only is the extreme right benefiting from its attacks on this course, especially in France and Austria, but both nationalists and champions of "another economic policy" (a more Keynesian one) can now blame the EU for the persistence of high unemployment, for slow growth, for higher taxes, and for social regression. This further weakens the fragile legitimacy of the EU, and undermines that of the moderates of the right and the left who try to carry out highly unpopular policies in their countries. For the sake of a deadline this is a very high-risk course.

Judt also fails to discuss the U.S.-European relationship. The diplomatic impotence and military ineffectiveness of "Europe" result largely from the implicit decision of the founding fathers to leave foreign policy and defense to the nation-states, for whom those functions were the heart of sovereignty, and to the American protector. Bosnia was a demonstration of this choice and of its consequences in the post–Cold War era. Many Europeans accepted, even desired, the American dominance of NATO as long as the Soviet threat existed. But with the end of that peril, and subsequent changes in U.S. foreign policy, the Europeans have, in a sense, the worst of both worlds. American preponderance in NATO persists, Europeans, singly and collectively, lack the means to launch extensive operations on their own, and the Clinton administration's aggressive foreign economic policies have put pressure on a number of EU practices (including the Common Agricultural Policy) as well as on economic relations between European states and countries the United States deems pariahs. On the other hand, the need for American protection has declined, and the willingness of Americans to risk the lives of U.S. soldiers for anything except major threats to the physical and economic security of the United States has declined even further.

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This is where the issue of U.S.-European relations becomes entangled with both the institutional issue and the matter of eastward expansion. The distinction between economic policy, which is largely in the hands of the European Commission and requires a qualified majority in the Council of Ministers, and foreign and security policy, which remains strictly intergovernmental and veto-ridden, makes little sense. And the EU members' reluctance to open the union's gates to Poland, Hungary, the Czech Republic, Slovenia, the Baltic States, and whatever other eastern states meet the indispensable democratic requirements helps preserve American hegemony. By providing Washington with a perfect opportunity to integrate some of these states into NATO, the Western Europeans have missed their chance to let them into the EU first. In turn, American hegemony provides a familiar pretext for the smaller EU members to leave international affairs to Washington, for Germany to go on playing a minor role in noneconomic international affairs, and for Britain and France to pursue their usual mix of de facto reliance on the United States (welcome in Britain, with verbal protests in France) and unilateral action. The conflicting pulls of national traditions and situations that I described 30 years ago in essays collected in *The European Sisyphus* continue to cause discord or paralysis and an American preponderance whose costs—unless Russia becomes a threat to others than itself—may well exceed its benefits.

In the present climate, it is not only the democratic intellectuals of Eastern Europe who are being marginalized and denounced by nationalists of all sorts. The believers in a truly united Europe that would be more than an economic animal, one that could define and pursue a genuine European mission in the world, are just as demoralized in the west.

Judt recognizes that Europe for many centuries has gone through phases of expansion and contraction. But his pessimism about the present extends to the future: "In its strong form the idea of 'Europe' has had its day." He may be right. But just because the conditions of 1945-89 have vanished, are new steps forward now impossible? There have been several *relances*, after periods of stagnation and Europessimism. Leadership and events, after all, affect the course of history. No one today looks at the EU as the solution for every problem plaguing the continent, but it could be a partial answer to some of the major ones. Much will depend on who will lead, after Helmut Kohl, John Major, Alain Juppé, and Jacques Santer (the current head of the European Commission). Judt may turn out to be right. But his brilliant jeremiad is just a little too fond of gloom.

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Review Essay

Roller-Coaster Capitalism

Creative Destruction at Work

Walter Russell Mead

One World, Ready or Not: The Manic Logic of Global Capitalism. BY WILLIAM GREIDER. New York: Simon & Schuster, 1997, 512 pp. $25.00.

Everything is for the best in this best of all possible worlds, Voltaire's Dr. Pangloss used to tell Candide, and many of today's social, political, and, especially, economic pundits owe the good doctor a greater debt than they have acknowledged. Panglossian optimism flourishes in all times and social conditions; there is always a willing audience for defenders of the status quo. Contemporary Panglossians tend to work with a debased form of the Whig narrative of progress: capitalism is the best of all possible economic systems; democracy is the best of all possible political systems; capitalism leads to democracy, and democracy leads to peace.

That in a nutshell has been the credo of both the Bush and Clinton administrations. The triumph of liberal capitalism and liberal economics signifies, in Francis Fukuyama's formulation, the end of history, and unsatisfactory as it might be, the world that has emerged is the best of all possible worlds.

William Greider's new book is a contemporary *Candide,* an attack on the platitudes that guide policymakers. But it is to Rousseau, perhaps, rather than Voltaire that one should look for his true literary antecedent: it has been said that the second edition of the works of Jean Jacques Rousseau was bound in the skins of those who had scoffed at the first. If half the shocking things William Greider says in *One World, Ready or Not* turn out to be true, a similar fate lies in store for what will undoubtedly be a legion who scoff at Greider.

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SOLD OUT IN SEATTLE

One World, Ready or Not is a wildly ambitious and wildly uneven book of revisionist economics, and Greider hammers his heterodox propositions home as enthusiastically as Martin Luther nailed his revolutionary theses to the doors of the Wittenburg Cathedral. "The whole of Aristotle is to theology," wrote Luther, "as darkness is to light." Greider is no less insistent that the conventional wisdom now guiding the world's governments and international institutions is little more than darkness made visible.

Economic reform has been a failure. Trade liberalization has reduced living standards. The North American Free Trade Agreement has been a disaster. The world is drowning in a glut of savings. Financial assets are grossly overvalued, and the only question is whether there will be an economic catastrophe when the bubble bursts. Only greater government intervention can save the world from economic and, potentially, political trouble on an unprecedented scale.

This is a book that graduate students and coffeehouse dissidents everywhere will enjoy. It is a book for anybody who thinks that the emperor has no clothes and that, as the slogan of opponents of the World Bank and International Monetary Fund goes, "Fifty years is enough." It will comfort the remnants of the democratic left and fan the flames of populist rage. Most fundamentally, it is the book of a prophet, thundering against the sins of financial elites and calling its audience to return to the values of a simpler era.

It is a safe bet that not many professional economists will desert the Brookings Institution and the World Bank, don hair shirts, and follow Greider into the wilderness. Yet to ignore this book would be a mistake; if Greider's answers are not always consistent or clear, the questions he raises are important, and they shed light on some of the issues and problems that will shape national and international politics over the coming decades.

Prophets, of course, are not rare in the world of economic forecasting and financial advice. Greider, however, an iconoclastic journalist who has written well-researched populist critiques of the Federal Reserve *(Secrets of the Temple)* and American economic policy *(Who Will Tell the People?)* is not just one of those wild-eyed prophets of doom who burst periodically onto the scene with implausible but dramatic stories about Kondratieff long waves, imminent economic collapse, and the importance of keeping one's savings in gold. He is a gadfly, to be sure, but beyond being a brilliant gadfly who punctures the pretensions of conventional wisdom, he has policy ideas of his own.

THE DARKER SIDE OF CHANGE

The arguments and perspectives that inform *One World, Ready or Not* are a distillation of an emerging international populist platform in opposition to what Europeans and Latin Americans call "neoliberalism," the economic and political paradigm that has guided Western policy, especially U.S. policy, since Margaret Thatcher installed it in Britain in the 1980s. "There is no alternative," Thatcher used to say in defense of her program of economic reform. Capital markets had to become less regulated and more global; labor markets had to

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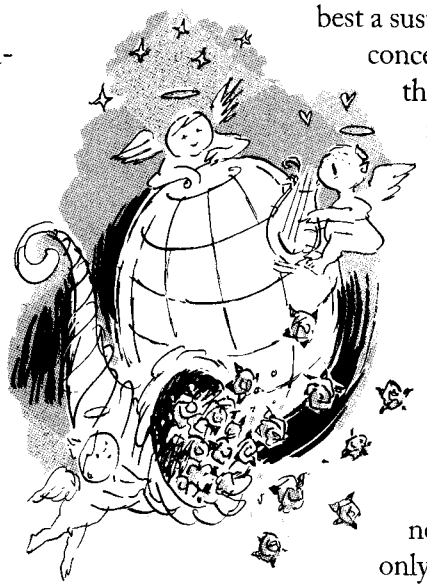
become more flexible; trade had to be more free; government subsidies, spending, and safety nets had to be cut; tax policy had to provide incentives for enterprise. The Keynesian turn of Western economies after the Great Depression and World War II was a ghastly mistake; true capitalism was the less regulated, more chaotic, but freer and ultimately more effective capitalism that held sway in Britain and the United States before 1914 and the long slide to state domination.



There is an alternative, says Greider, and this book is the best shot so far at describing one.

In many respects, the volume is a failure. Taking globalization as its subject, and attempting to deal with its economic, social, and political causes and effects, the book is sometimes overwhelmed by the sheer mass of material. Greider jumps, and the exhausted reader attempts to follow, from the factory floors of Indonesia to the slums of Latin America to Bundestag debates to World Bank conference rooms. Along the way, subjects are taken up and dropped at breathtaking—and, eventually, mind-numbing—speed, and they are not always throroughly explored before being cast aside. But in the most important respects, *One World* is a major accomplishment. Even when he is wrong, Greider remains interesting; fallible humanity can hardly aspire to more.

Readers familiar with the history of economic thought will find many echoes of Marx and Keynes here, but the keystone in Greider's arch is Joseph Schumpeter's concept of creative destruction as the core process of capitalism. *One World* is at its best a sustained meditation on this concept, and Greider applies the full force of the complex idea to the full range of the capitalist revolution now sweeping the world. The Panglosses of contemporary neoliberalism can see only the utopia waiting to be unleashed as unshackled capitalism transforms the waiting world. Neo-Marxists and neo-Malthusians can see only the destructive potential for capitalist excess and collapse. Greider attempts to give both these aspects of capitalist change their due weight; that is what lifts *One World* out of the genre of populist rant and makes it impossible to dismiss out of hand.

Creative destruction is so profound a concept that it is almost inevitably trivialized, reduced to the casual acknowledgment that any economic change produces both winners and losers. Greider's great achievement is to grasp the scale of both the creation and the destruction of economic upheaval. In passages that echo Marx's tributes to the creative energy of the young bourgeoisie, Greider describes the transformations in the global economy: the rapid industrialization of much of Asia, the reshaping of financial markets and the explosive growth of currency trading, the acceleration of technological

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change in cutting-edge industries, and the new possibilities and horizons opening up on every side.

Yet he understands the darker side of change—and the way that economic dislocations can transform political realities. In Greider's vision, it is not just that the collapse of the welfare states of Europe and North America may lead to political conflict in those countries or between them and their overseas competitors. Greider asks under what conditions the global economic machine can continue to function, and whether recent and imminent economic changes could undermine the dynamism that brought them about.

OLD PROBLEMS IN NEW VERSIONS

The cycle Greider sees at work in the world is alarming. Changes in technology and the globalization of the world's productive process are gradually and inexorably reducing wages for many, if not most, people in the advanced countries. This undermines purchasing power, reducing demand for the products that enterprises are producing.

The world, says Greider, is on the verge of a new version of an old problem: economic stagnation or collapse produced by excessive savings. To those whose economic horizons have been shaped by the inflation of the 1970s and 1980s, as well as those like the investment banker Peter G. Peterson, who are haunted by the problem of growing entitlements and underinvestment, the notion of death by too much saving sounds paradoxical, even perverse. The parallel Greider wants to draw goes further back, to the 1920s and 1930s. Mass production techniques vastly increased productivity and output in the 1920s. But the wages and incomes of working people failed to keep pace. For some years the spread of the new technology fueled an investment boom, but ultimately the newly productive and efficient automobile, refrigerator, and washing machine factories were pumping out products faster than the market could absorb them.

The short-term result was a stock market rally in the 1920s as the wave of investment generated an economic expansion and pumped liquidity into the financial markets. The longer-term consequence was economic collapse as inventories rose, factories cut production, markets shrank, more people were laid off, and on and on as the vicious cycle continued. In the end, the earnings forecasts based on the optimistic premises of the 1920s proved as overblown as stock market prices in 1929, and the supposed era of permanent prosperity was shown to be merely another financial bubble.

Excessive savings above all are a consequence of the upward redistribution of income. The poor buy more goods if they get more money; the rich invest more in financial markets. When inequality

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widens too much, vast sums are pumped into securities even as the prospects for increased consumer demand are slowly and silently falling.

Greider warns that this process could be occurring again. Where others hail the taming of inflation, Greider worries about the prospect of price deflation led by excessive productive capacity in increasingly glutted markets. In the automobile industry, for example, Greider uses industry forecasts and analysis to estimate an excess as large as the total current demand of the North American car market. Some, possibly many, of the car factories being busily built around the world will not be needed, Greider warns. Ultimately the investments in many of them will be written off.

Other industries, such as semiconductors and steel, face similar problems. Revolutionary changes in technology and the ability of industry to locate production in low-wage areas have dramatically reduced costs and raised productivity. These advances force enterprises to adjust or go broke: you cannot use yesterday's equipment to win the economic competition of today.

THEY REAP WHAT THEY ROUSSEAU

The more creative capitalism becomes—the faster productivity rises, the more new technology transforms the way we work—the more destructive it becomes. The firms and factories that do not adapt will die; the skills of workers and existing plant and equipment rapidly become obsolete; whole nations and regions based on the industries and technologies of past decades lose their competitive edge and sink into decline.

Observers more conventional than Greider acknowledge this, claiming only that the winners will outnumber the losers in the end. Greider agrees in principle, but he says that the happy ending may be more delayed, and the road to resolution of the dilemma may require more destructive detours, than the conventionally optimistic view can foresee.

Again, he draws a comparison with the earlier history of the twentieth century. The productivity increases and technological advances of the 1920s did eventually lead to the great economic expansion and unprecedented mass affluence of the quarter-century from 1950 to 1975, but the road from the 1920s led through the Great Depression of the 1930s and the war of the 1940s before the crowds of winners were able to cash in their chips.

It is, of course, impossible to tell if Greider is right. Perhaps the world is in a new financial bubble and today's upward redistribution of income is the harbinger of a vast financial and ultimately political meltdown. If so, many of the oracles of contemporary economic and political wisdom will be metaphorically if not literally hung from the lampposts as popular opinion turns ruthlessly against the ideas, institutions, and leaders of the preceding period. Herbert Hoover was not a popular man during the depression, and Richard Whitney, president of the New York Stock Exchange in 1929, ended up in jail for embezzlement. The best-selling books of the 1930s were, at least figuratively, bound in the skins of the optimists of the 1920s "new era."

If anything remotely like this happens, some of the solutions that Greider proposes will be tried. New forms of regulation will attempt to control international capital movements and reduce

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the risks inherent in today's relatively open trade and investment regimes. Vast public investment projects will attempt to replace the tapped-out power of individual consumers to buy, reviving markets and growth and reducing unemployment by the creation of new demand through public spending.

If the new era rolls on, however, and the global economy serenely advances into another period of vigorous expansion and rapid change, Greider's forecasts will be forgotten and fall by the wayside—much as the Club of Rome's dismal warnings in the 1970s of global food and energy shortages looked increasingly foolish when the anticipated famines and oil shortages failed to occur.

RETELLING THE WHIG STORY

Whatever the verdict on his predictive powers, Greider's contrarian view of the contemporary world has something important to say. There is a recurring tendency in Western and, especially, American thought to equate the spread of market economics with the stabilization of social and political conditions. Nothing could be further from the truth. Capitalism is the world's most powerful form of social organization because it is the most revolutionary. Capitalism did not defeat communism because capitalism was more stable; rather, the frozen stability of planned communist society was unable to match the social and economic dynamism of capitalist activity.

At a distance, one can reconcile the roller-coaster–like ride of capitalist history with the more comforting, Panglossian version of the Whig narrative of progress. Over time, capitalism does lead to democracy and democracy does lead to peace. But, as in the United States after the 1920s, the expanses of time are longer than today's cramped conventional wisdom can perceive, and the ride is bumpier, even if Greider's precise scenario does not come to pass.

Look at France. The rise of capitalism did unleash a process that ultimately consolidated democracy and made the French peaceful. But how long did that take, and what happened in the meantime? Five republics, two empires, two royal dynasties, and a series of expansionary wars that ranged from Moscow to Indochina by way of the upper Nile. And France's progress from precapitalist monarchy to capitalist democracy was relatively smooth and benign. Contrast Germany's journey down that road, or Japan's. Some countries, like Russia, that made promising starts a century ago have taken terrible detours, inflicting on themselves and others untold suffering.

That capitalism has been unleashed across Asia and Latin America is in one sense cause for rejoicing. Capitalism will open new doors to richer and fuller lives for hundreds of millions of people. The dismantling of regulations and controls in Western society does create opportunities for faster economic growth and individual creativity.

But, alas, that is not all it does. That China, India, Indonesia, and Vietnam are now sprinting up the track previously traveled by Germany, France, and Japan does not mean that a universal era of freedom, prosperity, and peace has dawned. Historical change is accelerating. As rural masses pour into swelling cities in Asia, Africa, and Latin America, as new technologies and enterprises rip up the fabric of traditional society, as new

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political forces duel for control of rapidly evolving societies, tensions are certain to rise. The more capitalism spreads, the more change must be endured, the more risks must be run, the more destruction will go hand in hand with creation.

The triumph of the West in the Cold War, the rapid spread of capitalism through the developing world, and the triumph of neoliberal capitalism over the more regulated and stable mixed economy that prevailed in the last generation do not constitute the end of history but lay the groundwork for an immense acceleration of the historical process. The 21st century will be even more volatile than the bloody century now drawing to a close. This, not the future of the stock market, is the real message of Greider's book, and those who fail to heed it run risks at least as great as those serene French aristocrats who scoffed at Rousseau.

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Review Essay

From Homer to the Unabomber

Declinists Across the Ages

Edward N. Luttwak

The Idea of Decline in Western History. BY ARTHUR HERMAN. New York: Free Press, 1997, 400 pp. $30.00.

At one level, Arthur Herman's book is a marvelously efficient compendium of dismal predictions or resigned assessments of ongoing, imminent, inevitable, or just possibly avoidable political, social, economic, cultural, or racial declines by hundreds of very famous, less famous, or infamous thinkers, novelists, poets, and artists, starting with Homer and ending with the Unabomber. The efficiency derives from Herman's uncanny ability to compress the views of the likes of de Maistre, Schopenhauer, or Sidney Webb into a short paragraph or two, while disposing of many others in a single sentence, often a quotation.

Thus we find that, faced with the relentless advance of capitalism and its definition of human worth as net worth, the French Romantics Gautier, Stendhal, and Flaubert, like their English counterparts Coleridge, Blake, Wordsworth, Sir Walter Scott, and Southey ("profit and loss became the rule of conduct; in came calculation, and out went feeling"), became convinced that they were witnessing the moral decline of man, amid the ruination of the land itself by dark, satanic mills. Rousseau and Herder had been pessimistic even before industrialization, reacting to the Enlightenment's cold rationalism and its implied warrant for individual hedonism, which they saw as squeezing out all spontaneous emotion, self-expression, and altruism.

What Herman does for the Romantics he does for all other categories of declinists, from the political variety that goes back to Plato and includes America's own Henry and Brooks Adams (here at chapter

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length), to the physical degeneration school that starts with Cesare Lombroso (another chapter), the racial devitalization crackpots headed by Arthur de Gobineau (a further chapter), the economic worriers and fretters, and finally—the largest category of all—the sociocultural pessimists. The latter include the still highly influential Ferdinand Tönnies and Gustav von Schmoller, whose student W. E. B. Du Bois followed him in seeing communal and spiritual *Kultur* (including the "Negro soul") under deadly attack by *Zivilisation* (material advancement). Among their contemporary American exponents Herman lists Norman Mailer, Gore Vidal, Thomas Pynchon, Christopher Lasch, Jonathan Kozol, Garry Wills, Joseph Campbell, and at least two dozen others.

That is the sort of thing that makes a wonderful compendium—distilled summaries, quotations, and lists that amount to a Western Civ. refresher course in one easy read. Moreover, Herman is not only lucid and graceful, but also supplies all the necessary bits of background as he goes along, asking little of the reader. This book is no mere cut-and-paste job of encyclopedia cullings, however. Far from a contrived display of learning, it is replete with throwaway lines that imply a deeper knowledge of many subjects than Herman, a historian at George Mason University, overtly deploys. But the author may find even this high praise unwelcome because, as he must know, the compilation of compendia, breviaries, and florilegia is the surest sign of cultural decline—by the fifth century virtually nothing else was being written by Romans, as the literate remnant desperately tried to package and preserve dissipating knowledge on sturdy parchment.

THE PERSONAL IS PHILOSOPHICAL

When it comes to explaining the oceans of pessimism surveyed, the book starts very well, only to inspire mounting doubts about what Herman is really telling readers. He writes as if he believed that pessimism is never warranted, and certainly fails to acknowledge the insights of the declinists he reviews so well. Herman begins by noting that projections of the aging process of individuals, from the full powers of maturity to inevitable decay, induce almost every traditional culture to look back longingly to a golden age when things were better ordered, including the human body. As usual, he has an excellent quotation, Ajax hurling a rock with one hand, "which the sturdiest youngster of our generation would have found difficult to lift with both hands," from E. V. Rieu's translation of *The Iliad.* Typically, Herman puts Homer, Hesiod, the Vedas, Confucian China, the ancient Egyptians, Aztecs, Zoroastrians, Lapps, Native Americans, medieval Icelanders, and Old Irish, as well as Genesis, in this category. The cyclical alternative of both the classical and Hellenistic Greeks, which sees rebirth and renewal following the final stage of decay, is also apt to induce pessimism up until that far prospect is attained. (Plato's ideal state would have trapped its golden age by prohibiting change.)

Herman also provides a great number of failure-revenge explanations, which are at least plausible. De Gobineau, disappointed in his overweening literary ambitions in Balzac's harshly competitive Paris of the 1830s, with nothing much in hand except aristocratic pretensions, blames his personal failure on the degeneration of the Aryan race, devitalized, he says, by a soft civilization and miscegena-

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tion with inferior southern races, in his long, crackpot-erudite *Essay on the Inequality of the Races* (1853). Oswald Spengler likewise had his high academic hopes dashed in 1903 when his University of Berlin thesis was initially rejected, suffered a nervous breakdown, hated his mediocre life of mere high school teaching, and in April 1918 finally published *The Decline of the West*, which conflated his personal failure with the decay of the entire civilization. Brooks Adams was traumatized by a bank failure that briefly threatened the family fortune ("like other affluent critics of capitalism, they were heavily invested in it") and vented his indignation at plutocrats and city bosses in his *Law of Civilization and Decay* (1895).

Artists and intellectuals being by nature driven to seek fame, the inevitable obscurity of most of them generates vast amounts of disappointment, readily projected as pessimistic assessments of countries, races, eras, or whole civilizations. Herman dutifully collates many such cases, although to merit inclusion in his book all of these embittered failures must finally have achieved at least a modicum of fame, if only after their deaths.

A TRANSITIONAL SPECIES

Herman is less persuasive, and finally entirely unconvincing, because of his assumption, implicit in the search for an explanation, that all pessimistic predictions are simply wrong. He does not seem to recognize that farsighted thinkers can warn of a future less than wholly bright, or even terrible, for perfectly good reasons that owe nothing to their own physical decay, bitterness at personal failure, or simplistic projections of the lifecycle onto cultures and civilizations. He himself cites Friedrich von Schlegel's contemporary warning that the French Revolution had inaugurated a terrible new era of "unselfish crimes," in which "love of virtue" and belief in the perfectibility of man and society would inspire atrocities far worse than those of any conquering horde. Yet Herman writes as if unaware of how accurate von Schlegel's prediction has turned out to be, down to the Khmer Rouge—so far. One strand of German Romanticism found its most degraded expression in the death camps, but another tried all along to avert that evil, along with Stalin's and Mao's, with ugent, solidly argued, and utterly lucid warnings, all of which a progress-intoxicated world rejected as too pessimistic.

Likewise, in surveying the nineteenth-century German racial pessimists, Herman is efficient as always in summarizing the views of Ernst Haeckel, the German biologist who promoted Darwinism in Germany and was the founding father of "ecology" (his coinage), without recogniz-

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ing Haeckel's wider insights. Haeckel's *The Riddle of the Universe* (1899), transcending its roots in biology, progresses by a series of simple yet profound arguments to show that the sharp disequilibrium between the technological progress of contemporary European civilization and its moral primitivism amid dogmatic religion, unhinged individualism, and assorted superstitions and taboos must lead to a political catastrophe. Only the revelation that humans are merely evolving vertebrates rather than nature's masters and owners as "the image of God" can open the way to a new equilibrium with the natural world and all its living beings—the conventional wisdom of today's Democrats and Republicans alike and of a growing proportion of humanity everywhere, from Swedish dentists to Thai farmers. But for Herman, Haeckel is simply a bad guy, partly because of his loathing for religion (actually, Haeckel merely detested the infernal certitudes of monotheistic religions) and partly because of his honorary chairmanship of the Society for Racial Hygiene, which advocated eugenics and euthanasia but which was not anti-Semitic. (Haeckel, as Herman acknowledges, contemptuously dismissed the racism of Wagner's English son-in-law Houston Stewart Chamberlain.) For the society's founder Alfred Ploetz, all that mattered was that Jews and Aryans were physiologically identical.

THE OPTIMISTIC DECLINIST

That Herman has trouble with his Germans becomes evident in his factually accurate yet fundamentally misguided treatment of Nietzsche, perhaps the most optimistic of the declinists. Because many of Herman's subsequent declinists, including Adorno, Foucault, Heidegger, Horkheimer, Marcuse, and Sartre, as well as battalions of American cultural critics down to the Unabomber, derived their better ideas directly or indirectly from Nietzsche, Herman's misconception is consequential for much of the book. Characteristically, Herman attributes Nietzsche's "loathing for the military" to a tumble off a caisson during his compulsory service as a student reserve officer in the Prussian army's field artillery. Yet Herman reproduces enough of Nietzsche's thought to show that the philosopher would have fiercely opposed the slavishness militarism demands, and its destructive consequences at the collective level, even if his military training had gone splendidly, with medals won for dashing charges and admiring young ladies swept off their feet.

The failure-revenge explanation does not apply in Nietzsche's case. The product of what was then the world's finest education, in 1869, at the astoundingly young age of 24, Nietzsche went straight from his studies at the University of Bonn and Leipzig to the philology chair at Basel to teach what was then the most important subject in the humanities, at a time and in a place when university professor was a most prestigious occupation, and not badly paid either. It was therefore as a recognized prodigy, a worldly success, and a popular lecturer to boot that Nietzsche set out on his quest.

At the level of the individual, Nietzsche saw authenticity of feeling and expression drowned by the routine insincerity, moralistic claptrap, and acquisitive compulsions of mass society under capitalism (and he never had the experience of being "networked" 1990s-style at casual social gatherings). But socialism was no better—

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just as materialistic and even more reliant on the state's enslaving mechanisms. And Nietzsche was far too realistic to accept Rousseau's "return to nature," which could only mean a peasant's life of squalid poverty.

At the collective level, Nietzsche could see with the naked eye the transformation of the German lands into an empire increasingly driven mad by a pervasive militarism such that eminent civilians would seek any excuse to prance about in their reserve uniforms as lowly lieutenants or captains, eagerly saluting any mediocrity of higher rank ("madness is rare among individuals; in entire nations it is common"). The Germans were afflicted more than most, earning Nietzsche's special contempt; their functional virtues (efficiency etc.) were becoming mechanistic vices, of which militarism was the most serious symptom. But the disease was modern Europe's fusion of mass society, nationalism ("lunacy" for Nietzsche), and bureaucratic organization. All the pieces were there, ready to turn entire nations into war machines motivated by mass propaganda and armed by mass production to produce mass death, as Nietzsche's mentor and friend Jacob Burckhardt had predicted. Having seen the machine at work as an ambulance orderly in the Franco-Prussian War, which featured the first repeating-fire massacres of infantry, Nietzsche was quite sure of the outcome: a devastating general war that would wreck Europe. Only the tactical details of World War I were missing from his prediction.

In the face of this catastrophe, most intellectuals were useless, in Nietzsche's view. They kept celebrating the onward march of material progress instead of warning people that they were being turned into anonymous masses soon to be herded to slaughter. Only a new cultural elite of heroic individualists, "supermen" untrammeled by any imposed norm, might save Europe, by leading all who would follow, by argument, romance, poetry, and music, to spurn materialism, despise collective power, and seek self-expression, thus restoring personal authenticity and averting mass madness and war. Nietzsche did agree with the anti-Semites that there was a "Jewish problem" in Germany, but his solution was to eject the anti-Semites while assimilating the Jews.

It remains a great puzzle how the witty, teasing, seriously antimilitarist, antinationalist, and in some ways anti-German Nietzsche acquired the exact opposite reputation among Anglo-Saxons, becoming a hate figure in the British popular press during World War I. Even stranger is that Herman once again reflects discredit on Nietzsche by bringing up Hitler's admiration for him—proof that Hitler had read only some Zarathustran purple passages in the tooled-leather sets of works that he gave as presents to the likes of Mussolini.

AUTHENTICITY TODAY

Throughout his book, Herman seeks to disprove the contention that today's pessimism, as opposed to our great-grandparents' confident belief in progress, reflects the catastrophic evils of the twentieth century. In that aim, he amply succeeds. Where he fails is in his dismissive rejection of warnings whose validity has increased with the passage of time. For Herman, the loss of authenticity is a tiresome invention of spoiled thinkers. But what moved Nietzsche and influenced his followers is the process that starts with the unconscious absorption and use of mere-

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tricious language (from "Thank you for flying . . . airlines" to the now almost customary "I love you all" of public speech) and ends with the outright loss of one's own authentic, individual humanity, a process of depersonalization. Having lied all day at the shop or office in order to sell goods, services, or oneself, the lying continues after hours for more effective "networking," then persists at home with near and dear by sheer habit, until it finally reaches the point of lying to oneself. As Nietzsche was first to note, modern mass societies are full of people who do not know who they are or what they want. That much follows almost inevitably from modernity's demolition of the certitudes of traditional communities and of naive popular religion along with modernity's accursed gift of self-consciousness for all. For those who lack the ability of the "superman" to fearlessly confront both the vacuity and the brevity of life, a semiconscious existence of play-acting one role after another is the best alternative. But it does leave one vulnerable to manipulative enlistments by acquisitive compulsions, fads, and fashionable cant if not by ferocious ideologies, dictators, or cults (while it is the panic induced by the incipient loss of inherited certitudes that fuels Islamic as well as all other religious fundamentalisms).

The process of depersonalization, by the internalization of insincere and self-serving language, is visibly complete in the modern TV politician, who evokes intimate personal tragedies in public to falsely claim genuine feelings that would impose a complete silence if they were actually felt. Or is it only this reviewer who saw in the San Diego and Chicago party conventions the repeated attempts of humanoid robots to simulate an authentic humanity?

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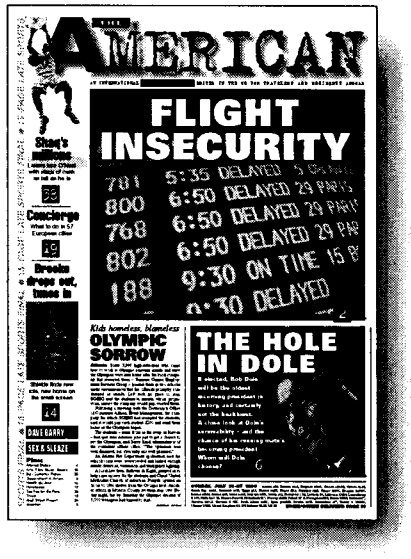

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Review Essay

Inquiring Minds

The Story of the Council on Foreign Relations

David C. Hendrickson

Continuing the Inquiry: The Council on Foreign Relations from 1921 to 1996. BY PETER GROSE. New York: Council on Foreign Relations Press, 1996, 82 pp. $12.95 (paper).

This sprightly work tells the story of the Council on Foreign Relations, established in the aftermath of the First World War and now in its 75th year. Peter Grose, a managing editor and executive editor of *Foreign Affairs* from 1984 to 1993, locates the origins of the council in the Inquiry that Woodrow Wilson's envoy, Colonel House, with the journalist Walter Lippmann's aid, established for the benefit of the American peace delegation at Versailles. What had prompted the Inquiry in the first place—the absence within the State Department of the detailed knowledge of European conditions that would be required for redrawing, as fairly as could be done, the map of the world—led some Inquiry members, together with a select group of English citizens, to concur on the need for an organization that would "continue the inquiry" after the war. The plan for a joint Anglo-American enterprise miscarried, as both sides developed sober second thoughts; and there was a moment, on the American side, when physical exhaustion and spiritual depletion made the whole venture seem dauntingly problematic. But the project was revived, and the scholars—badly in need of money, as always—joined forces with a parallel undertaking of financiers and international lawyers. The council incorporated itself on July 29, 1921, with the first issue of its flagship journal, *Foreign Affairs,* rolling off the presses in September 1922. Its mission was not only to "inform" but also to "guide" American public opinion.

DAVID C. HENDRICKSON is Professor of Political Science at Colorado College.

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COUNCIL ON FOREIGN RELATIONS

Standing up for internationalism: Colonel House and Woodrow Wilson, circa 1919

The need for information—nay, for guidance—was pressing. American domestic opinion was returning, with a vengeance, to the insular habits that had long characterized it. If the idea for the council had been conceived in the most cosmopolitan of firmaments, the new child saw its first light under a different sign. The *Philadelphia Record's* comment of 1928—"The American people don't give a hoot in a rainbarrel who controls north China"—was expressive of that insularity. Against the attitude of smug indifference to the external world the council has always stood. But its internationalism was, at the same time, hesitant and quizzical, unsure of the answers but convinced that the questions needed a full airing. Its first president, Elihu Root, had played a critical role in formulating the Republican reservations to American membership in the League of Nations, reservations that proved unacceptable to Woodrow Wilson and doomed American participation. Between an unreconstructed Wilsonianism and a blind insularity, some new way would have to be found.

The heyday of the council's influence came with the Second World War and the United States' assumption of world leadership and responsibility. The council represented the establishment when there was an establishment to represent; it embodied the consensus when the consensus seemed sturdy and immovable. The

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council always enjoyed a semiofficial status, close to the government but distinct from it; its members worried about giving the sanction of its authority to anything suggestive of the lunatic fringe. But in the early days, no less than in the heydays, the activities of the council—the study groups, *Foreign Affairs* and other publications, the confidential discussions among the luminaries after dinner, cigars, and brandy—reflected a genuine receptiveness to the lure of ideas. Despite his reservations, the first editor of *Foreign Affairs*, Archibald Cary Coolidge, published "Worlds of Color" by W. E. B. Du Bois in 1925; four more contributions from Du Bois appeared under Coolidge's successor, the formidable Hamilton Fish Armstrong. Within the confines marked out by decorum, *gravitas*, and the search for the vital center, the challenge to received ideas was encouraged, even relished.

THE CONSENSUS FRACTURES

Vietnam destroyed the foreign policy consensus and fractured the establishment; the divisions it prompted were as deep and bitter within the council as in the larger society. In recovering from that trauma, the council faced a domestic scene very different from what it had known. Its status had changed, suddenly and palpably: it was no longer at the center of things. Its relationship with Washington was now often distant, the attitude of presidents sometimes resentful, sometimes (worst of all) indifferent. Competitors to *Foreign Affairs* arose, *almost* as good as the original, a veritable hairsbreadth away in general excellence, as often as not supplying the best essay of the season. While *Foreign Affairs* maintained and then increased its dominance in circulation, it was now one voice among many. Indeed, it was itself many voices; its pages were opened to a spectrum of opinion as wide as that of any of its competitors, for it no longer had a consensus to represent, only a set of questions to investigate. The council's membership rolls swelled, as it accommodated the newly recognized diversities of gender, ethnicity, and region. And though many of its officers, fellows, and members continued to await the call to government service, and some of them still got it, the status the council had once enjoyed was not, and could not be, recovered.

REFLECTIONS ON PURPOSE

Anniversaries are moments not only for celebration but also for reflection. Grose has provided a fond recital of past accomplishments, recalled long-forgotten quarrels, and sketched a handsome outline of institutional history. If the brevity of his account is such as to pique, rather than satisfy, the curiosity of the historian, one must acknowledge that the occasion would have been ill served by a lengthy tome. What Grose does capture is the spirit of the undertaking: the sense of its founders, as well as its renovators, that America has a continuing need to be drawn out of its parochialisms. The insularity of the public attitude is not the only parochialism at issue; that afflicting the academic world, though it has different manifestations, is equally alarming. In drawing scholars from their narrow specializations, and businessmen, lawyers, and financiers to a broader perspective, the council has performed a vital public service. The partnership improved all its partners, while also enlightening public opinion and providing fruitful warnings and breadth of vision to governments.

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Grose does not speculate about the future, but his characterization of the past provides ample material for reflection on its possibilities and hazards. At 75 years, the council approaches the term of human life; it is surely not immune to the forces that decree decay and the erosion of vitality on all living things. In the autumn of its influence, it must compete for attention in a world that values instant opinion and startling images; its leaders, like those of virtually all other intermediate associations in this society, must devote enormous efforts to fundraising, with the subtle deflections from purpose that often entails. It must grow in order to accommodate itself to a changing and diverse society, but risks losing through growth the qualities that made it distinctive. Its best sense of itself has always lain in the application of wide-ranging intelligence to the pressing international problems of the age, informed by the humble recognition that the public good is best discovered through scrupulous analysis and open debate. If these qualities are lost, all will be lost; if retained, the centennial of 2021 should provide good cause for renewed celebration. And good cause as well for reintroducing the cigars and the brandy.

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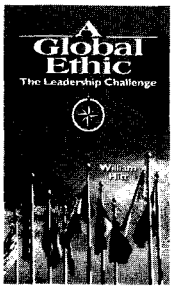

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Germans vs. the Critics

Daniel Jonah Goldhagen

Any good-faith account of the "controversy" surrounding my book, *Hitler's Willing Executioners: Ordinary Germans and the Holocaust*, would include a discussion of the many demonstrable untruths and misrepresentations written about both it and me personally. Fritz Stern's article ("The Goldhagen Controversy," November/December 1996), supposedly devoted to the debate surrounding the book, fails to do this, which is not surprising because it consists largely of the by now familiar tactics of raising false issues instead of focusing on the book's themes, findings, and arguments, of misrepresenting the book's contents, of asserting against it strident positions that have already been shown to be false, and of substituting denunciation for argument. Since I have already dealt with such general tactics, as well as Stern's principal substantive attacks, in my reply to my critics in the December 23 *New Republic*, I will confine my remarks here to two of Stern's charges, which reveal the heart of his project and the quality of his entire critique.[1]

Stern repeats an accusation that was leveled without substantiation at me in *Der Spiegel*, namely that, in Stern's words, the German translation "modifies or mutes some of his more sweeping allegations." The editor who wrote this piece had earlier revealed his true defamatory stripes by writing a cover story on the fiction that my book is about collective guilt—a charge that one German scholar, Ulrich Herbert, labeled "a discourse of avoidance." As I have written and said many times, my book owes nothing to the indefensible notion of collective guilt. And, of course, those who make the charge provide no textual evidence to substantiate it, as Stern does not for his unscholarly accusation that my book is held together "by a single intent: the indictment of a people." What actually upsets many is that the book, against so much of the existing literature and the heretofore dominant view in Germany, champions the notion of Germans' individual responsibility for their actions and shows that many more ordinary Germans willingly took part in the genocide than has been maintained.

People in Germany, however, knew *Der Spiegel*'s charge was baseless, as they

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could see that the German edition is faithful to the English edition. Even my scholarly critics there recognized the attack for what it was: another attempt to delegitimize my book and to divert attention from the real historical issues. *Der Spiegel* printed a letter from me in the next issue refuting this charge.

Stern mentions none of that. In order to present the charge as if it is true while protecting himself from having to defend it, he states in parentheses that he has not seen the translation. Essentially, he is making a charge about a book (the German edition) that he has not read. Since when do scholars do this? But Stern is not even credible here. The German edition was published in August. Stern tells us that he was in Germany in October. The book was readily available; it was prominently displayed. One would think that Stern, even without easy access to the German edition, would take pains to ensure that such a serious charge was true before printing it. Which is more condemning: that before writing this obvious untruth Stern did not even care enough to look at the German edition, or that he did?

Stern's second charge is that the extremely positive reception I and the book received during my trip to Germany was a result of disingenuousness on my part. I supposedly "attenuated" conclusions that would give offense to Germans: "It would seem that [Goldhagen] tried to please his German audiences." This is absurd, as Stern's description of my response in *Die Zeit* to the German critics unwittingly reveals: "Goldhagen attacked all his critics and rejected all their arguments."[2] In Germany, I spent ten days in interview after interview and in six panel discussions with scholars including many of my most vehement critics (a number of which were broadcast on national and regional television), discussing and vigorously defending my book in the same terms in which it is written. All this, and the dozens of articles in German newspapers about the trip, form a voluminous documentary record that reveals Stern's claim to be manifestly untrue.[3] Josef Joffe's extensive account of my reception in Germany (he moderated two of the panel discussions), which appeared in *The New York Review of Books*, gives no hint of my having changed my

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[1]One small but instructive example of Stern's willingness to invent anything that will damn is his statement about my book, "Unintelligible diagrams distract." In the book's more than 600 pages, there is exactly one diagram (reproduced twice), which is a simple two-by-two matrix.

[2]"Das Versagen der Kritiker," *Die Zeit,* August 2, 1996. This article discusses at length and refutes the central contentions of my German critics. Neither these critics nor Stern ever responded with serious counterarguments or evidence; Stern instead dismisses the piece in his article by terming its arguments "arrogance." This is yet another example of how I have addressed the arguments of my critics but they have not engaged mine.

[3]See, for example, Volker Ullrich's roundup piece on my trip, "Goldhagen und die Deutschen," *Die Zeit,* September 13, 1996. The exception to this is one Reuters report about the first panel discussion, which took place in Hamburg on the second day of the trip. It was written by an openly hostile reporter who argued with me about my book while admitting he had read only a small portion of it. The event's moderator, Robert Leicht, the editor-in-chief of *Die Zeit,* has authorized me to say that he will attest that the article's charge that I altered my positions is wrong. *Die Zeit* has since published the proceedings of the event, so anyone can verify that I presented my book's arguments faithfully.

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arguments or conclusions.[4] Again the question must be asked of Stern: Did he so misrepresent what happened in Germany without investigating the facts, or after he had investigated?

The real story in Germany is that *Hitler's Willing Executioners* has led many to renounce comforting postwar myths and has provoked an intensive discussion of fundamental issues long ignored. Two examples illustrate how these developments have been welcomed. Wolfgang Wippermann, a professor of history at the Free University in Berlin and a scholar of the Holocaust and the Nazi period, declared at the Berlin panel discussion, "Goldhagen has done a great service to the political culture of our country," at which point, as Volker Ullrich writes in *Die Zeit,* "the audience thanked [Goldhagen] with thunderous applause." Hildegard Hamm-Brücher, nominated as the Free Democratic Party candidate in the last election for the German presidency, said on national television, "We have had a renaissance of reflection because of Goldhagen."

All this and more, including the book's reception in other countries, goes unnoted in Stern's account. He fails to report that many participants in the German panel discussions, as well as other scholars, have accepted many of my conclusions and that, in Joffe's words, "some contemptuous critics of the spring were strangely transformed by the autumn—they now appeared as respectful, even deferential discussants."[5]

Stern's account of the two issues treated here reveals that he is not interested in providing a fair or scholarly account of my book, the discussion surrounding it, or its reception in Germany. The rest of his many assertions about the book should be read with that in mind.

THE PUBLIC SPEAKS

The most fitting commentary on Stern and the other polemicists, and also on the German public's very favorable reaction to my book despite the months of Stern-like vituperation about it before its publication in Germany, comes from a Nuremberg woman writing me at the beginning of August. She began: "I am honestly sorry for the letter I sent to you last May!" That earlier, scathing letter, she informed me, was based on what she had gleaned from the initial attacks on the book, and especially on the belief that it was about the "idea of national character," which she "hated." She explained: "I did not expect scholars of the Holocaust to represent the content of *Hitler's Willing Executioners* in a misleading way." She then procured a copy and, "to put it mildly," she wrote, "I was

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[4]Josef Joffe, "Goldhagen in Germany," *The New York Review of Books,* November 28, 1996. Joffe's evenhanded account of the reception of *Hitler's Willing Executioners* in Germany, including my trip there, when compared to Stern's supposed treatment of the "controversy," becomes a devastating commentary on the latter. Joffe writes that the early reactions to the book in Germany, which read very much like Stern's, were "so hostile that it was almost bizarre."

[5]Joffe's explanation, that some critics were changing their tune in response "to audiences that were thoroughly sympathetic to Goldhagen," ignores that Frank Schirrmacher and Norbert Frei, to mention the two whom Joffe cites, were backing away from earlier untenable assertions. The critics at the panel discussions continued to criticize, often forcefully, which shows they were not cowed by the audience. Joffe fails to consider that the source of the audiences' sympathy for my positions might have been the inadequacy of the critics' arguments.

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surprised about what I found. This was not the book I had expected. I think it should be obvious to anyone who reads your book that these scholars twisted your words or criticized mistakes that are either very far-fetched or nonexistent."

The woman continued: "I learned a lot by reading your book (and by following this hypocritical debate) and it caused a very positive discussion among my fellow students, as well as among the adults I am teaching. So far I have not come across anyone who knew the real nature of your arguments and thought them absurd, nor anyone who was not disturbed by the historical facts that you described (apart from one whose grandfather had been a member of the SS—he has had a hard time, though, ever since I introduced your book in his class)." By the way, she read the "undoctored" English edition.

Stern and the other detractors are reeling before the public's (and some of their colleagues') favorable reaction to my book. He is "puzzled." For months, critics like him have issued condemnations "in a feeding frenzy," to quote Joffe. In Joffe's words, each critic, like "a Vatican cardinal in charge of the Index," in effect decreed: "Don't Read This Book." Yet the German public paid no heed. Thousands came to the panel discussions; millions followed the discussions on television and in the press; and the majority of those who attended the events signaled by their reaction that they agreed with my positions, not those of the critics.

Stern has contrived two laughable explanations for this positive response: I sought to "please" Germans by altering the German translation and by modifying my positions, and I "enthralled" the public and "bested" the critics with my "charm," my "telegenic presence," and my "conciliatory manner." The first explanation, as I have shown above, is groundless. The second is equally suspect. To suggest that thousands of literate Germans could be seduced by the attributes of my physiognomy and the courtesy of my demeanor into accepting arguments that are so deeply troubling, that cast such a harsh light on their nation's past, is to disparage the intelligence of the present generation, grappling with the darkest period of their nation's history in the attempt to understand.

Germans have been exposed to seemingly endless attacks on my book and on me personally similar to Stern's, in all media, before, during, and after my trip to Germany, including during the panel discussions where the critics for the first time were compelled to justify and defend their charges.[6] According to the German public, they failed. Germans have judged for themselves, and many have concluded that Stern and the others have unpersuasive arguments and little evidence to substantiate their attacks. The public in Germany and elsewhere is decidedly not being fooled. This seems to infuriate Stern and the other cardinals.

[6]Undoubtedly, part of the reason that so many in Germany have remarked on my supposedly winning manner is that, for months before my trip, I had been portrayed as something between a hate-filled avenger and a hanging judge. It is not surprising that when people finally saw and heard me, and therefore learned that I do not conform to what they had been told, my demeanor became part of the story. Most people seemed to realize that I had been falsely portrayed. Stern contrives to draw the opposite conclusion—that in Germany I must have been dissembling.

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Letters to the Editor

Robert Conquest on the Cold War; Lloyd Axworthy, Herman Cohen, Jude Wanniski, et al.

MASTERCLASS

To the Editor:

Professor Melvyn P. Leffler and some of the authors he quotes make much of the notion that there was no Soviet "master plan" for the postwar world, nor an ideologically driven expansionist intent ("Inside Enemy Archives," July/August 1996).

Of course there was no master plan. Lenin had no master plan in post–World War I Europe, but he still took every opportunity to procure world revolution, including armed intervention. When Western revolution did not occur, the Soviet Union did not abandon its expansionist principles; it stopped expanding for 15 years, but then started again.

Leffler also quotes Constantine Pleshakov and Vladislav Zubok as saying that there was no "overarching ideology of confrontation." But ideology is a matter of long-term motivations, while confrontation is a matter of strategy or tactics. There is no contradiction between irreconcilable hostility and realpolitik, the latter being tactical pragmatism with no bearing on motive. However cautious in the short run, at any given time the Soviet Union remained committed in principle to complete, unappeasable long-term hostility to all other forms of political life or thought, and can hardly be said to have concealed it.

If one looks at recently published Politburo archives even of the U.S.S.R.'s last phase, the stink of ideology is overpowering. As Nikolai Ryzhkov, the Soviet Union's penultimate prime minister, writes in his memoirs,

> In our society the supremacy of ideology over everything else did in fact always occur . . . The priority of ideology over the economy is not a trifle, not a detail, not voluntarism, not the stupidity of some leader or other—it is the essence of the model in which we lived. It is its mainstay.

Only after Foreign Minister Eduard Shevardnadze repudiated the fundamental principle of "international class struggle" as the basis for Soviet foreign policy was there an abandonment of ideological imperatives.

The idea that Stalin wanted war with the West in the late 1940s and early 1950s is fatuous. He wanted everything he could get without war. In April 1945 Stalin echoed the Maisky report's internal estimate that Western Europe could not be won for "socialism" for up to 15 years, telling Yugoslavia's communist leaders, "The war will soon be over. We shall recover in 15 or 20 years, and then we'll have another go at it."

The idea that Western countermoves provoked Stalin is true in a sense; Hitler

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too would have been affronted if France and Britain had not given him the Sudetenland in 1938. But a lack of countermoves would also have led to a Stalinist offensive. Although he did not want to get into a major war, Stalin would push his forward policy as far as it would go.

Leffler also fails to distinguish sufficiently between the Stalin period, when the U.S.S.R. could not match a rearmed West, and the Brezhnev era and later, when a global confrontation was plausible. Indeed, by 1965 the expression "offensive against the positions of imperialism" had begun to appear regularly in the Soviet press, and was quickly formalized in the manifesto of the communist parties.

The call for an "offensive" may not have been a call for a general war. Nevertheless, as V. Zagladin, Deputy Head of the International Department of the Central Committee of the Communist Party of the Soviet Union, wrote in *Pravda* in 1988,

> In the 1970s and the first half of the 1980s the roots of many mistakes were in the conceptual approach. Repudiating nuclear war and conducting an active struggle for peace, we nevertheless proceeded from the assumption of the possibility of victory in a possible conflict. Here is the source of our confrontation in relationship with the West.

As for the West's policies, no human enterprise is likely to be either morally impeccable or intellectually unassailable. Yes, as in all foreign policy matters, the United States had pragmatic as well as moral aims. And of course there were bad decisions. But we can still insist that the U.S.S.R., in principle and in practice, represented a force dangerous to and destructive of liberty, law, and human progress, basing itself on what Mikhail Gorbachev calls in his memoirs the "insane militarization" of the country.

ROBERT CONQUEST
Senior Research Fellow, Hoover Institution on War, Revolution & Peace, Stanford University

NEIGHBORLY LOVE

To the Editor:

Charles F. Doran would have Americans worry too much about the remote possibility of Canada "unraveling" and too little about the potential impact on U.S. interests ("Will Canada Unravel?" September/October 1996). Polls indicate that a clear majority of Quebecers want to remain part of Canada. The majority identify themselves as both Quebecers and Canadians and believe in tolerance, justice, cultural diversity, and human rights—values all Canadians share. Moreover, Quebec has never been more French-speaking than it is now, thanks in part to the efforts of the federal government.

The strengths of Canada's federal system should not be underestimated. Doran suggests Canada is overgoverned, but its system works: in 1997 Canada is expected to enjoy the highest rate of economic growth of any country in the Group of Seven.

Why should the United States care about Canadian unity? Because it has immense interests at stake, greater than those in any other bilateral relationship. Less than a fifth of Americans are aware that Canada is the United States' largest trading partner, conducting close to $1 billion *a day* in bilateral trade, on which four million jobs on both sides of the border depend. Canada buys almost a quarter of American manufacturers'

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exports (the next largest customer, Japan, buys only nine percent). In 1995 the United States had $85 billion invested directly in Canada.

Most Canadians believe that fragmentation of the country is highly unlikely. Canadian federalism continues to evolve and improve, and Canadians are still bound together by the unifying force of our institutions, legal system, and values. Separation would leave Canada and Quebec alike ill placed to face the challenges of the twenty-first century, and most Canadians, from Quebec or elsewhere, understand that.

LLOYD AXWORTHY
Minister of Foreign Affairs, Canada

To the Editor:

Doran and others have done Americans a great service by investigating the implications of a possible split of our largest trading partner and best ally.

Does the North American Free Trade Agreement (NAFTA) apply to Quebec after separation? If Quebec imposed any restrictions on goods from the rest of Canada, or vice versa, the United States would lose some of the benefits negotiated under the agreement and would have the right to renegotiate. And how would Canada's public debt be divided between the two new states? Unless there was perfect agreement between Ottawa and Quebec City, American holders of Canadian government bonds would be the losers.

Would Quebec join and contribute to NATO? If Ottawa raised a constitutional challenge to Quebec's secession, with which country would the U.S. take up St. Lawrence Seaway matters before NAFTA dispute panels? Finally, as Doran observes, there could be a further division within sovereign Quebec led by the Cree and the Inuit, on whose land hydroelectric power originates. If so, with whom would American cities and states negotiate their electric power purchases?

The United States has a vital interest in the question of whether Quebec secedes. If events accelerate, planning as we go might prove too little, too late, and may, with some justice, be seen as meddling.

TOM CAMPBELL
Member, U.S. House of Representatives (R-Calif.); Professor of Law, Stanford University

To the Editor:

Doran's musings shift from interesting to bizarre when he anticipates a role for Washington as "peacemaker, adjudicator, rule-maker, and police officer" in a fragmented Canada.

Canada would not need or accept any such U.S. involvement. It has no interest in allowing the likes of Bill Clinton, Newt Gingrich, or Jesse Helms to become any further involved in its domestic politics. Canadians will confront and resolve their own issues. Doran's condescension would be insulting were it not laughable.

JOHN BUTCHER
President, Associates in Planning, Ottawa

To the Editor:

Quebec nationalism is far more complex than a mere romantic sentiment. The separatist movement is composed of four very different groups with divergent and often opposing motives and ideologies. First historically, though not numerically, are the racists, whose roots lie in centuries of Catholic tradition. They seek separatism to maintain the purity of the French Canadian "race" in a right-wing political context. Second are

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the socialists, who enjoy the support of Quebec's trade unions. Their presence in Quebec dates back to the 1940s, and their drive for secession was long supported by the People's Republic of China.

Third are the elitists, an upper-middle-class group of business people, academics, and upper-echelon civil servants, often educated in the United States or Britain. They seek separation to keep the majority of Quebecers unilingual and, consequently, geographically immobile. As Quebec's bilingual political and business leaders, the elitists would then continue to represent their linguistically handicapped countrymen. The fourth and largest group seeking secession is the culturalists. Politically and economically heterogeneous, the culturalists are concerned with the survival of the French Canadian language and culture. Unfortunately, they are also susceptible to manipulation by the other three groups.

Should Quebec achieve independence, these four groups would have no common goals left and their differences would make for an internally volatile and politically vulnerable state. And political instability in Quebec, aggravated by economic hardship, could well be a more serious problem than any possible instability in the rest of Canada.

DR. CARL OTTO
Carl Otto Associates Inc., Montreal

ENOUGH ALREADY

To the Editor:

William Kristol and Robert Kagan's figures on defense spending are misleading ("Toward a Neo-Reaganite Foreign Policy," July/August 1996). For example, they write that "defense spending is less than 20 percent of the total federal budget." But the national defense portion of the administration's 1997 budget (excluding veterans programs and other military-related spending) amounts to 51 percent of all discretionary spending. They also grossly minimize America's already overwhelming advantage over other nations when it comes to military spending. The $254 billion the administration proposed to spend in fiscal year 1997 was nearly 17 times as large as the combined spending of the six countries most often identified as the United States' likely adversaries, North Korea, Iran, Iraq, Libya, Syria, and Cuba. With its close allies, the United States spends more than 30 times as much as those six "rogue states" combined.

DAVID ISENBERG
Senior Research Analyst, Center for Defense Information

To the Editor:

Kristol and Kagan suggest that the United States adopt a policy of spending more on its armed forces than any combination of two, three, or four other powers. If they acknowledge that the United States currently "spends more on defense than the next six powers combined," why do they then say that the U.S. Congress "probably needs to spend about $60-$80 billion more each year"?

Every potential military opponent realizes that the United States is at the center of a very powerful web of alliances. Add the military spending of the United States to that of its NATO partners, Japan, and Australia, and you arrive at a combined annual military budget for 1997 of roughly $500 billion. The world as a whole spends roughly $700 billion on defense each year, meaning "we" have already outpaced "them" by a ratio of

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roughly 2.5 to 1, even if "they" turn out to be the wildly improbable coalition of all other countries, from Switzerland to Syria, Finland to Indonesia.

Adding another $60 billion a year to the U.S. defense budget would increase the margin of superiority of the United States and its close allies over the rest of the world combined from 2.5 to 1 to 2.8 to 1. No conceivable chain of logic could support Kristol and Kagan's assertion that this additional increment is necessary "to preserve America's role as global hegemon."

BRAD DE LONG
Associate Professor of Economics, University of California at Berkeley

To the Editor:

Kristol and Kagan correctly advocate an activist U.S. foreign policy, but they fail to understand that it is diplomats, not soldiers, who bear the greatest responsibility for putting policy into practice. Nowhere in their article do they suggest enhancing U.S. diplomatic capabilities, nor do they note how drastic cuts in the foreign affairs budget have affected the State Department's ability to conduct its daily business.

To have a foreign policy worthy of a superpower, we must also have a diplomatic service worthy of a superpower. The foreign affairs budget should be removed from the domestic side of the appropriations process, where it competes for funding with federal prisons and Commerce Department field offices, and placed in the national security section, where it can enjoy the sensible funding currently afforded the Pentagon and the CIA.

HERMAN J. COHEN
Assistant Secretary of State for Africa, Bush administration

BLOOD OR IRON?

To the Editor:

The force structure Edward N. Luttwak recommends cannot adequately protect vital American interests ("A Post-Heroic Military Policy," July/August 1996). The existing threat to the West's Persian Gulf oil supply, for example, will not be deterred by "remotely piloted aerial vehicles," "versatile advanced munitions," or other high-tech solutions. Rogue states like Iraq and North Korea will continue to require conventional deterrence by heavy forces. Even in the discretionary use of military forces, Luttwak's high-tech "usable" model cannot perform the likely missions he identifies. The 32 crew members of the B-2 nuclear deterrent force would be no use in humanitarian operations like those in Somalia and Rwanda. "More and better cruise and standoff missiles" would have done little in Haiti. In the end, military missions still require soldiers, sailors, marines, and airmen versatile enough to conduct a wide range of activities. Fielding Luttwak's force will only encourage foreign intervention. Casualty avoidance should continue to be a healthy antidote to the adventurous use of American military power.

R.J. MIRAVILLE
Heidelberg, Germany

To the Editor:

Luttwak is correct in noting that American military power played a key role in bringing the Bosnian Serbs to the negotiating table, but it did so only in conjunction with a Croatian ground offensive. When the United States refuses to engage on the ground, it allows forces with goals

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very different from Washington's to dominate the political outcome.

Luttwak's suggestion that the United States employ armored forces even in future urban warfare is also questionable. That may work against an unsophisticated and poorly armed enemy like the Somali militias, but against determined and fairly well-armed opponents it could be a recipe for disaster—as the Russians have discovered in Grozny. In this kind of fighting, unfortunately there is still no substitute for brave and well-trained infantry.

ANATOL LIEVEN
Senior Fellow, United States Institute of Peace

SOLIDARITY ENOUGH

To the Editor:

Combining exaggeration, truncated citation, and silence about pivotal aspects of my argument, Stephen Holmes is shrewd, crafty, and rarely fair in his review of my book, *Liberalism's Crooked Circle: Letters to Adam Michnik*. Consider these examples, one from each section of his essay ("Liberalism in the Ruins," September/October 1996).

"Katznelson," Holmes writes, "nevertheless insists on informing his old friend [Michnik] that 'liberalism needs socialism.'" As I report, it was Michnik's surprising affirmation, "We need socialism," written in 1982 from a communist jail cell, that helped motivate my inquiry about the prospects for what others have called a liberal socialism: a strong egalitarian impulse nestled inside liberal political premises. The first of my two letters explores whether attempts to assemble combinations of this sort—found, for all their disagreements, in the work of John Dewey, Michael Walzer, and John Rawls—are doomed to incongruity. I am critical of most of these attempts, arguing that they dodge difficult questions about freedom and unfreedom, property and sovereignty, the distinction between public and private, and the limits of policy instruments to rectify inequality available to free societies.

"[Katznelson] tacitly accepts," Holmes claims, "[liberal theory's arguments about the relatively benign role of capitalist elites and the dangers of government overreaching to rectify inequality], mentioning euphemistically the 'distasteful' or 'unpleasant' consequences of excessively egalitarian policies (meaning Stalinism)." This sentence is shameful. Its ugly coda is far worse than its factual misrepresentation. My book was generated by participation in efforts to assist free intellectual inquiry inside totalitarianism. Its passions and commitments are unambiguous.

"Katznelson . . . also complains of Michnik's lack of solidarity with the Jewish nation and the State of Israel, capping his recitation with, 'So many recusals, so little affirmation; are Jews merely a metaphor for suffering?'" By selectively apportioning a footnote, Holmes manages to transmute my lament at Michnik's attempts to transcend without incorporating Jewish particularity into a censorious comment about Michnik's personal beliefs. In accepting a New York synagogue's award in 1991, Michnik stated, "I am a Pole and now I must explain why I have accepted this award given to Jews." Avowing he has always affirmed

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his Jewish ancestry "whenever Polish life was overshadowed by anti-Semitism," Michnik noted he accepted the award "in the name of solidarity," though not, he added, "solidarity with Jewish tradition and customs . . . the Jewish nation or the country of Israel." I then wrote, "It is not right to judge such heartfelt statements, but when I read them I thought, so many recusals, so little affirmation . . ."

Holmes commends my book for its invention and brio. I am pleased to reciprocate.

IRA KATZNELSON

Ruggles Professor of Political Science and History, Columbia University

To the Editor:

Holmes is obviously confused about what is at stake in Ira Katznelson's remarks.

Whether Adam Michnik, Gyorgy Konrad, or anyone else born into a Jewish family decides to become observant by following Jewish custom and tradition is that person's own business. That is not the point at all. The point is whether public intellectuals in Poland, Jewish or not, should dismiss the legacy of the past.

Holmes is also on slippery ground when he writes that "in the United States, moreover, it became possible in the 1960s and in the 1970s for young Jews in New York City or Cambridge, Massachusetts, to join the mainstream of American society . . . without having to undergo any ordeal of assimilation and without toning down their Jewish gestures or habits or beliefs." This statement displays obvious ignorance of the history of the Jewish experience in America, and borders on cultural anti-Semitism. What are Jewish "gestures or habits or beliefs"?

SEYLA BENHABIB

Professor of Government, Harvard University

CUBA ON THE LINE

To the Editor:

So much nonsense is written and said about the United States' Cuba policy that it startled me to see David Rieff get it so right ("Cuba Refrozen," July/August 1996).

The hard/soft policy Rieff describes put the Castro regime on the defensive and encouraged forces of peaceful change within Cuba, built the first bridges of understanding and cooperation between the United States and some of its closest allies, and was beginning to win over such diverse constituencies as the Cuban exile community and U.S. business to the cause of promoting democracy in Cuba. Such an approach was doomed to failure, I suppose, by the same entrenched interests that threaten any move toward political solutions, whether in Cuba, Northern Ireland, or the Middle East.

My one criticism of Rieff's article is that he does not recognize how dangerous the situation now is. The margin for error in the U.S.-Cuban relationship is minuscule. Any serious miscalculation by either side will push the two countries beyond the point of diplomatic solutions and toward the tragedy for which Miami and Fidel have been preparing since 1960.

RICHARD A. NUCCIO

Senior Policy Adviser, U.S. Department of State

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VIRTUAL REALISM

To the Editor:

Richard Rosecrance's argument that the world is dividing between "head" and "body" nations, with the latter manufacturing goods and therefore still dependent on territory, is logically flawed ("The Rise of the Virtual State," July/August 1996). If such a division is in fact occurring, and if the "virtual nations need other states' production capabilities," won't world politics once again be reduced to a struggle over territory?

Ironically, at the same time that Rosecrance's modernization argument leads us back to the Hobbesian world of realpolitik, some realists have begun to express greater appreciation for the consequences of modernization. Many have come dangerously close to admitting that technology, especially nuclear weapons, can alter the behavior of nation-states, thereby transforming the fundamental dynamic of international politics.

JANEEN KLINGER
Assistant Professor of Government, Franklin & Marshall College

NEW MEXICO OR OLD?

To the Editor:

Jorge G. Castañeda's most recent visit to Mexico's wailing wall comes up with no attractive alternative to the economic stabilization and political reform policies now being attempted in the country ("Mexico's Circle of Misery," July/August 1996).

If the Latin American left, still wedded to an odd mix of state socialism and populist redistributive economics, could provide politically original proposals for a "new consensus" in Mexico, Brazil, Argentina, or anywhere else in the region, its impassioned discreditors of the "Washington Consensus" and "neoliberalism" might win a free election and become the "reinvigorated leadership" Castañeda sees as key to the future.

One major reason for the left's current stagnation is its lack of intellectual creativity and credible political alternatives. Even Castañeda's suggestion that Mexico's deliverance lies in a "deep, broad alliance among business, labor, and the state along East Asian lines" is hardly original and sounds more authoritarian than he perhaps intends. In fact, it has the flavor of the old PRI warmed over. An authentic Mexican solution to Mexican problems has to do better than mimic Malaysia or Indonesia.

JUAN DE ONIS
Rio de Janeiro

AS GOOD AS GOLD

To the Editor:

As long as there is no stong linchpin holding the states of Europe together, predicting the failure of European Monetary Union (EMU), as Rudi Dornbusch does, is as easy as falling off a log ("Euro Fantasies," September/October 1996).

More than a decade ago, when he was briefly chancellor of the exchequer and visited New York, I advised John Major that monetary union was impossible without gold acting as the referee in disputes among sovereign nations.

In September 1987, while secretary of the treasury, James Baker told an International Monetary Fund meeting in Washington that Europeans and Americans should all be moving toward

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a monetary union with "a basket of commodities including gold" as the reference point for settling disputes. The Wall Street crash a month later was precipitated precisely because Baker himself refused to take note of the signals the gold price was emitting as a warning.

EMU is in fact a wonderful idea, but it will remain beyond the grasp of Europe's political leaders as long as the United States holds back from its responsibility to reestablish the greenback's grounding by once again defining the American currency in terms of gold. It is always the responsibility of the primary superpower to do so. It was under the Pax Romana and the Pax Britannica, and must be under the Pax Americana.

JUDE WANNISKI

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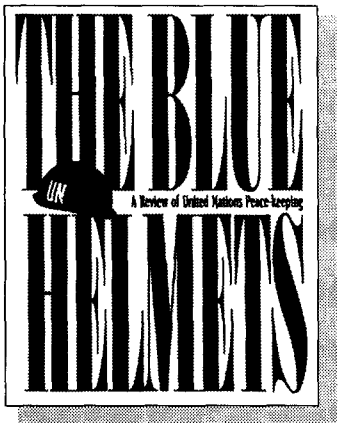

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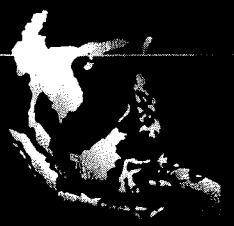

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